

Home Oil Company Limited

FINANCIAL AND OPERATING INFORMATION

FOR THE USE OF

SECURITY ANALYSTS

May, 1972



INTRODUCTION

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(Information related to this report should be addressed to -)

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INTRODUCTION

This book has been prepared by Home Oil Company Limited to meet the needs of security analysts, financial counsel and others who require more detailed information than can be provided in the Company's annual report. This is the ninth year that the Company has prepared a book of this type, and Home Oil solicits both suggestions and criticisms related to this edition.

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HOME OIL COMPANY LIMITED

SUBSIDIARY COMPANIES

Home Oil of Canada Limited (100%) – a United Kingdom company – Exploration and development of oil and gas in the United Kingdom.

Home Oil Company of Canada (100%) – a Delaware corporation – Exploration and development of oil and gas in the United States of America.

Home Oil Malta Limited (100%) – A Malta company – Holds interest in Malta exploration license.

Home Oil Italiana S.p.A. (100%) – An Italian company – Holds interest in exploration permits in Italy and offshore Italian waters.

Union Petroleum Corporation (100%) – an Oklahoma corporation – Wholesale marketing of natural gas liquids in the United States – Subsidiary: Cam-Am Liquids Co., Ltd.

Foothills Oil and Gas Company, Limited (99.8%) – a Canadian company – Interests in Alberta oil and gas wells.

Coastal Oils Limited (99.3%) – an Alberta company – Oil and gas interests in Canada and ownership of 110,737 Class A and 332,211 Class B shares of Cygnus Corporation Limited.

United Oils, Limited (96.6%) – a Canadian company – Oil and gas interests in Alberta and Alaska – Subsidiary: Madison Oils, Inc.

50% OWNED COMPANIES

Federated Pipe Lines Ltd. (50%) – an Alberta company – Pipeline system serving various fields in Northern Alberta.

Crownco Holdings Limited (50%) – an Alberta company – Ownership and operation of a ten-story office building in downtown Calgary.

HISTORY OF COMPANY

Home Oil Company Limited is an independent oil and gas exploration and production company whose principal interests are in Western Canada, the United Kingdom and Alaska. In addition to producing properties, it has ownership in two crude oil pipelines and several natural gas processing plants in Alberta. Home Oil operates both pipelines and four plants. The Company also has a 50% interest in a natural gas liquids fractionation plant and underground storage facility at Hardisty, Alberta. The sale and transportation of liquids from this plant is handled by two subsidiary companies. The Company does not engage in refining or marketing gasoline. It has substantial investments in TransCanada Pipelines Limited and Atlantic Richfield Company.

Home Oil Company Limited was incorporated as a Dominion Company in 1929, taking over an existing predecessor company of the same name. It also became an important producer of natural gasoline in Turner Valley in that year. Since its incorporation the Company has been active in the Canadian oil industry, except for a brief period during the depression when it sold off its producing properties.

In the early 1950's Federated Petroleums, Ltd. acquired control of Home Oil. Federated had been incorporated in 1938 by R.A. Brown, Sr. to consolidate the interests of the Brown family and their associates in a number of companies which had been organized to develop properties in the Turner Valley field. Commencing in 1953 Home and Federated conducted a joint exploration program, and in December 1955 Home merged with Federated.

Early in 1971, the Company became associated with The Consumers' Gas Company through Cygnus Corporation Limited which owns 1,000,000 Class B shares (38.9%) of the company. By an agreement dated April 22, 1971, the late R. A. Brown, Jr. (formerly President of the Company and Cygnus) and Rabsco Investments Limited (a family corporation owned by members of the late Mr. Brown's family) agreed to sell 1,357,614 Class B shares of Cygnus Corporation Limited (approximately 50.33% of the outstanding voting stock of Cygnus) owned by them to The Consumers' Gas Company. Following the death of Mr. Brown on January 4, 1972 this sale was finalized, and these shares, together with an additional 59,215 Class B shares of Cygnus owned by Consumers', gave The Consumers' Gas Company control of Cygnus Corporation Limited.

In November 1971, Consumers' also purchased 275,506 Class B (voting) shares of Home Oil Company Limited which were previously owned by two of Home's subsidiaries. Through the 1,275,506 Class B shares of Home over which Consumers' exercises control (which represents 49.6% of the outstanding voting shares of Home) The Consumers' Gas Company is in a position to control the management and policy of Home Oil Company Limited.

UNITED KINGDOM

The Company has been actively engaged in the exploration for and development of oil and gas reserves in the United Kingdom since 1963.

Following an extensive exploration and drilling program in the Yorkshire area of England, a major discovery was made with the successful completion of the Lockton 2A well as a gas well in 1966. This well found 212 feet of net pay in the Middle Magnesian Limestone of Permian Age. A second successful gas well, Lockton 7, was completed in 1968 and is located one mile east of Lockton 2A. This well encountered 128 feet of net pay in the Middle Magnesian Carbonate. Both wells established reserves in the Lockton field in which Home Oil has a 50% interest, subject to royalties. During 1971, these reserves were adjusted downward after reservoir pressure tests indicated that recoverable reserves were less than originally estimated.

In 1969, an agreement was completed with The British Gas Council for the sale of natural gas from the Lockton field. Initially, sales of 45 million cubic feet per day were planned. However, due to the decrease in reserves, daily contract volumes are expected to approximate 24 to 27 million cubic feet per day.

Construction of the Lockton Gas Gathering System and the Pickering Natural Gas Processing Plant, both of which are owned equally by the Company and Gas Council (Exploration) Ltd., was completed in May, 1971 and the plant went on-stream on May 12, 1971. Production from the Lockton field is less than was originally estimated, and the Company's share of production from start-up to year-end averaged approximately 13 million cubic feet per day. This production shortfall has resulted from processing problems encountered following plant start-up and concentrated efforts are being made to remedy the problem.

During 1971, a well was drilled on Block 30/2 in the North Sea, in which the Company has a 6 3/8% interest. Although this well encountered gas and condensate deposits, it cannot be considered commercial unless sufficient reserves have been established to warrant the large expenditures that would be required to bring the gas and condensate to market.

The Company has a 30% interest in a consortium which was awarded two exploration blocks in the North Sea in March, 1972. Block 210/19 (comprising approximately 49,000 acres) is approximately 16 miles west of Block 211/21 for which another group of companies had earlier paid a cash bonus of \$54 million. The second block, 38/2 (comprising approximately 57,300 acres) lies near the Shell Auk field. The participants in this consortium are:

Home Oil of Canada Limited	30%
Charter Consolidated (North Sea Exploration) Ltd.	30%
Canadian Industrial Gas (U.K.) Limited	15%
Oil and Gas Enterprises Ltd. (which is owned by 14 British business firms)	25%

At December 31, 1971 the Company owned a 50% working interest in 931,588 acres (subject to royalty interests) in Yorkshire and a 6-3/8% interest in 55,856 acres in the North Sea.

DIRECTORS

(Date of First Appointment Appears in Parentheses)

*OAKAH L JONES – Toronto, Ontario (1971)

Chairman of the Board and Chief Executive Officer of the Company; Chairman of the Board of The Consumers' Gas Company; Chairman of the Board and Managing Director of Cygnus Corporation Limited; Director: Canada Permanent Companies, Boiler Inspection and Insurance Company of Canada, Rubbermaid (Canada) Limited; Chairman of the Board of the Ontario Research Foundation.

THE RIGHT HONOURABLE

THE EARL BEATTY, D.S.C. – London, England (1967)

Chairman of the Board of Home Oil of Canada Limited.

MARSH A. COOPER – Toronto, Ontario (1967)

President and Managing Director of Falconbridge Nickel Mines Limited; Chairman of the Board of McIntyre Porcupine Mines Limited, Falconbridge Copper Limited; President and Director of Falconbridge Dominicana C. por A.; Director: Abitibi Paper Company Ltd., Hambro Corporation of Canada Limited, Natural Resources Growth Fund Ltd., Crown Life Insurance Company, Bridge and Tank Co. of Canada Ltd., Canadian Imperial Bank of Commerce, Mogul of Ireland Limited, Texas Eastern Transmission Corporation.

PERCY M. FOX – Bermuda (1964)

Chairman of the Board of The Great Lakes Paper Company Limited; Director: Argus Corporation Limited, The Royal Trust Company, St. Lawrence Corporation Limited, Claude Neon Advertising Limited.

*J. D. GIBSON, O.B.E. – Toronto, Ontario (1971)

Chairman of Canadian Reinsurance and Canadian Reassurance Companies; Chairman, Eddy Match Company Limited; Director: The Imperial Life Assurance Company of Canada, The Consumers' Gas Company, National Trust Company, Limited, Harding Carpets Limited, Steel Company of Canada Limited, Bell Canada, Moore Corporation Limited; Chairman of the Board of Trustees, Queen's University.

THE HONOURABLE

HARRY W. HAYS, P.C. – Calgary, Alberta (1972)

Rancher; Member of the Canadian Senate; Director: Paragon Enterprises, Canada Permanent Companies, Natural Resources Growth Fund Ltd., Canadian Studies Foundation, Burritt Travel Agencies; Associate Life Director of the Calgary Exhibition and Stampede.

*F. WARREN HURST – Toronto, Ontario (1971)

Executive Vice-President and General Manager - Corporate, Finance, and Non-Utility Operations, and Director of The Consumers' Gas Company.

JAMES INNES – London, England (1971)

Investment Consultant, Hedderwick, Borthwick and Co.; Chairman of The University Life Assurance Society; Director: Home Oil of Canada Limited.

WILLIAM F. JAMES – Toronto, Ontario (1961)

Partner of James & Buffam; Vice-President and Director of Alminex Limited; Director: Hambro Corporation of Canada Limited, Canadian Gas and Energy Fund Ltd., Eldorado Nuclear Ltd., Falconbridge Nickel Mines Limited, National Trust Company Ltd., Dome Mines Limited, The Granby Mining Company Limited.

*HENRY E. LANGFORD, Q.C. – Toronto, Ontario (1971)

Director: The Consumers' Gas Company, The Dominion of Canada General Insurance Company, Victoria & Grey Trust Company, The Empire Life Insurance Company, United Accumulative Fund Ltd., The Toronto Iron Works Ltd., E. L. Financial Corporation, Casualty Insurance Company, United American Fund, Geo. J. Mcleod Co. Ltd.; Chairman: Care of Canada; Director: Ontario Hospital Association, Family Planning Association of Canada.

JOSEPH C. McCARTHY – Toronto, Ontario (1971)

President and Director of The Consumers' Gas Company; Director: The Toronto-Dominion Bank.

HARRY I. PRICE – Toronto, Ontario (1964)

Chairman of the Executive Committee and Director of Burns Foods Limited.

RENAULT ST-LAURENT, Q.C. – Quebec City, Quebec (1966)

Partner of St-Laurent, Monast, Desmeules, Walters and Dubé; Director: Air Canada, Anglo-Canadian Pulp and Paper Mills Limited, Banque Canadienne Nationale, Sicard Inc., The Imperial Life Assurance Company of Canada, Scott Paper Limited, Canadian National Railways, Canadian Breweries Limited, Gaz du Quebec Inc., Rothmans of Pall Mall Canada Limited, I.A.C. Limited, Donohue Brothers Limited

R. STEPHEN PADDON – Toronto, Ontario (1972)

Associated with Zimmerman & Winters, Solicitors.

W. H. ZIMMERMAN, Q.C. – Toronto, Ontario (1972)

Associated with Zimmerman & Winters, Solicitors

FRASER G. MITCHELL – Calgary, Alberta (1972)

Assistant - Secretary of the Company

*Member Executive Committee.

INTERNAL ORGANIZATION

On April 23, 1971, Mr. Oakah L Jones was appointed to the position of Chairman of the Board of Directors. The late Mr. R. A. Brown, Jr. served as President and Chief Executive Officer until his death on January 4, 1972, following which Mr. Oakah L Jones was appointed Chief Executive Officer. A President has not been appointed.

In May 1971, following the resignation of Mr. R. W. Campbell as Executive Vice-President and General Manager, Mr. M. P. Paulson and Mr. R. F. Phillips were appointed to the positions of Senior Vice-President, Operations and Senior Vice-President, Finance, respectively. Mr. R. B. Coleman is Vice-President, Secretary and General Counsel.

Brief biographies of these senior executives follow:

Mr. Oakah L Jones was born in Boston, Massachusetts and has spent all of his business life in the utility business. Mr. Jones presently occupies the position of Chairman of the Board, The Consumers' Gas Company. Prior to joining Consumers' in 1954, Mr. Jones had been associated with Oklahoma Natural Gas Company, Tulsa, Oklahoma. In addition to holding the offices as outlined in the list of directors, Mr. Jones is a member of the Board of the Toronto Harbour Commissioners, the Board of Governors of Trinity College and the Board of Regents of Mount Allison University and serves as a member of the Toronto Redevelopment Advisory Council, the Ontario Economic Council and the National Advisory Committee on Gas and Petroleum. He also is Vice-President of the Metropolitan Toronto Industrial Commission, Vice-Chairman of the Board of Trustees of the Centennial Centre of Science & Technology and Past President of the Canadian National Exhibition.

Mr. Maurice P. Paulson was born in Alberta in 1919, and after receiving his B.Sc. in Petroleum Engineering from the University of Oklahoma in 1942, served as Petroleum Engineer with the Oil and Gas Conservation Board and Oil Ventures Limited until 1946. Mr. Paulson joined Imperial Oil in 1946 as District Engineer and was promoted to Division Petroleum Engineer in 1950. After joining Home Oil in 1951 as Chief Engineer, he was appointed Manager Production and Pipelines in 1959 and Vice President, Production and Pipelines in 1966. Mr. Paulson was appointed to his present position of Senior Vice-President, Operations in May, 1971. He is a member of the Canadian Institute of Mining and Metallurgy.

Mr. Ross F. Phillips was born in 1926. After serving articles in Winnipeg with Millar, MacDonald and Co., Chartered Accountants from 1943 to 1948, he was admitted as a member of the Institute of Chartered Accountants of Manitoba in 1948. Mr. Phillips remained with Millar, MacDonald and Co. until 1949 when he joined Traders Finance Corporation Limited as Internal Auditor. After joining Home Oil in 1953 as Chief Accountant, Mr. Phillips was appointed Comptroller in 1958 and Vice-President Administration in 1966. He was appointed to his present position of Senior Vice-President, Finance in May, 1971.

Mr. Ronald B. Coleman was born in 1932 and received his B.Comm. in 1955 and his LL.B. in 1957 from Dalhousie University. After serving with Macleod, Dixon, he joined Home Oil in 1958. He was appointed Secretary of Home Oil and affiliated companies in 1960 and Vice-President, Secretary and General Counsel in 1966. Mr. Coleman is also Secretary of Cygnus Corporation Limited and is a member of the Alberta Law Society.

Reporting to the Senior Vice-Presidents are the following executives:

Mr. I. M. Drum, Vice President, Special Projects;
Mr. W. T. Wilkinson, Vice President, Marketing;
Mr. J. P. Crone, Comptroller;
Mr. B. B. Rombough, Treasurer;
Mr. G. Fong, Exploration, Manager;
Mr. W. D. Lundberg, Manager Production and Pipelines.
Mr. R. E. Humphries, Manager, Petroleum and Mineral Rights

Biographies of these gentlemen follow:

IAN M. DRUM, B.Sc. (Hon) P.Eng. – Vice-President, Special Projects

Born in 1913. Graduated from Royal Military College of Canada with Honours in 1935 and from Queens University with Honours in Chemical Engineering in 1937. Associated with Dye and Chemical Company of Canada Ltd. from 1937 to 1951, appointed Executive Vice-President in 1948. Became associated with Home-Federated group in 1953 and was appointed Vice-President, Special Projects in 1966. Co-author of two patents and a fellow of the Chemical Institute of Canada.

W. TAIT WILKINSON – Vice-President, Marketing.

Born in 1915. Educated in Calgary and Victoria. Employed with General Exchange Insurance Corporation from 1935 to 1947, including five and one-half years in the Canadian Army. With the I.A.C. group of companies, latterly as Vice-President and Managing Director of Merit Insurance Company until 1963. Joined United Oils, Limited and the Home Oil group in 1963. Appointed Manager, Marketing in 1966 and Vice-President, Marketing in 1968. Also Vice-President and General Manager of Cygnus Corporation Limited and President of Union Petroleum Corporation.

JOHN P. CRONE, C.A. – Comptroller

Born in 1930. Educated in Belfast, Northern Ireland and admitted as a member of the Institute of Chartered Accountants in Ireland in 1953. Worked in London, England and Calcutta, India before coming to Canada in 1957. Joined Home Oil in 1958 as Assistant to the Comptroller. Was successively Manager, Internal Audit, Manager, Production and Pipeline Services and Manager of Administrative Services. In 1968, Mr. Crone became Secretary and Treasurer of Union Petroleum Corporation, a wholly-owned subsidiary in Tulsa, Oklahoma and shortly after his return to Canada in 1969, was appointed Comptroller. Mr. Crone is also a member of the Institute of Chartered Accountants of Alberta and the Financial Executives Institute.

BARTLETT B. ROMBOUGH, C.A. – Treasurer

Born in 1924. Educated in Winnipeg and admitted to the Institute of Chartered Accountants of Manitoba in 1952. Articled with the firm of Millar, Macdonald and Co. Joined Home Oil in 1952 as an accountant. Appointed Assistant to the Treasurer in 1958, Assistant Treasurer in 1963 and Treasurer in November, 1965. Also Treasurer of Cygnus Corporation Limited, and Federated Pipe Lines Ltd.

GEORGE FONG, B.Sc., P.Geol. – Exploration Manager

Born in 1926. Received B.Sc. in Geology in 1948 followed by one year of post graduate study, both at the University of Alberta. Subsurface Geologist with Hudson's Bay Oil and Gas Company Limited from 1949 to 1952. Joined Home-Federated group in 1952. Exploration Manager for Home Oil of Canada Limited in England 1967 - 1969. Became Chief Geologist in 1970 and Exploration Manager of Home Oil Company Limited in February, 1972.

WILLIAM LUNDBERG, B.Sc., P.Eng. – Manager, Production and Pipelines

Born in 1921. Received B.Sc., in Mechanical Engineering from Montana State College in 1946. Attended Banff School of Advanced Management in 1960. Employed by Carter Oil from 1947 to 1953 in various capacities, including Petroleum Engineer and Reservoir Engineer. Joined Home-Federated group in 1953, became Production Manager of Home Oil in 1958 and Manager, Production and Pipelines in 1971.

R. E. HUMPHREYS, LL.B. – Manager, Petroleum and Mineral Rights

Born in 1925. Received LL.B. from the University of Manitoba in 1950. Attended University of Western Ontario Management Training Course in 1965. Articled with law firms in Winnipeg and Calgary. Joined Home - Federated Group in 1951. Member of the Canadian Bar Association and Manitoba Law Society.

The line and staff management of Home Oil Company Limited may be divided into three major groups:

Financial and General Administration

Exploration

Production and Pipelines

Biographies of the senior personnel engaged in the Financial and General Administrative work of the company follow:

D. E. DEAKIN, C.A. – Manager, Tax & Insurance

Born in 1938. Received B.Comm. degree from University of Alberta in 1959. Articled with Nash & Nash prior to admittance as a member of the Institute of Chartered Accountants of Alberta in 1962. Employed as a business assessor with the Department of National Revenue in Edmonton for three years. Joined the Tax Group at Pan American Petroleum Corporation in 1966. Joined Home Oil Company Limited in April, 1969 in present capacity.

ERNEST C. HAMBROOK, B.Comm. – Manager, Employee Relations Department

Born 1937. Received Bachelor of Commerce degree from University of Alberta in 1960. Joined Home Oil in 1961 as an accountant. Appointed Benefit Plans Administrator December, 1964 and Assistant Personnel Manager in April, 1966. Appointed to present position May, 1968. Past President of Calgary Personnel Association.

BRIAN F. MACNEILL, B.Comm., C.P.A., C.A. – Manager, Accounting

Born 1939. Received B.Comm. in 1965 from Montana State College. Admitted as a member of the California State Society of Certified Public Accountants in 1967 and to the Institute of Chartered Accountants of Alberta in 1970. Employed with Haskins & Sells, San Francisco, California from 1965 - 1969. Joined Home Oil in 1969 as Supervisor, Budgets. Appointed Administrative Assistant to Vice President, Administration in 1970, Administrator, Treasury Services in 1971 and Manager, Accounting in 1972. Member, American Institute of Certified Public Accountants.

ROBERT C. MUIR, B.Sc., LL.B. – Manager, Legal Department

Born in 1931. Received B.Sc. in 1952 and LL.B. in 1957 from University of Manitoba. Employed in geophysical operations with United Geophysical Company and California Standard Company 1952 - 1954. Employed with Gulf Oil Canada Limited in Calgary and Toronto, 1958 - 1969, latterly as Associate General Counsel. Joined Home Oil in 1969.

R. J. SHANNON – Manager, Marketing Department

Born 1929. Educated in Saskatchewan with two years of college at Notre Dame, Wilcox towards Bachelor of Arts degree. Joined Bank of Nova Scotia in 1949. Resigned position as Branch Accountant in 1956 to join California Standard Company in the Finance Department. Spent ten years with Chevron Standard Limited and held position of Marketing and Sales Representative in 1966. Joined Home Oil Company Limited in 1966 as Senior Marketing Representative. Appointed Manager of Marketing in 1971. Also Vice-President, Canadian Operations for Can-Am Liquids Co., Ltd.

ALEXANDER C. STEWARTSON, C.M.A., C.G.A. – Manager, Administrative Services

Born in 1921. Educated in Glasgow, Scotland and admitted to membership in the Institute of Cost and Management Accountants of Great Britain in 1953, and to membership in the Certified General Accountants' Association of Canada in 1964. Worked in Scotland and West Africa before coming to Canada in 1961. Joined Home Oil in 1961 as an accountant in the Internal Audit Department. Appointed Supervisor, Budgets and Forecasts, 1966, Assistant to Comptroller, 1968, Manager, Accounting, 1969 and Manager, Administrative Services, 1972.

RONALD G. WATKINS, B.Eng., P.Eng. — Manager, Information Services Department

Born in 1931. Received degree in Bachelor of Engineering (Chemical) from McGill University in 1954. Employed by Shell Canada Ltd. as Gas Engineer and Project Engineer during period 1954 - 1966. Joined Home Oil in 1966 as Process Operations Superintendent. Appointed Manager, Process Department in 1969 and to present position in 1971. Director of Canadian Natural Gas Processing Association and Natural Gas Processors Association.

The Exploration Division is headed by Mr. G. Fong and consists of fifty-six employees. Of this number, twenty-eight have degrees in engineering, geology or have formal technical training. Brief biographies of the senior personnel in this Division are given below:

EUGENE T. COOK, B.Sc., P.Eng. — Chief Geophysicist

Born in 1914. Graduated from Calgary Normal School in 1933, attended four years of summer school courses sponsored by the Department of Education and the University of Alberta. Received B.Sc., in Mining and Engineering from the University of Alberta in 1949. With Northwest Seismic Surveys as Party Manager and Interpreter from 1949 to 1953. Joined Home-Federated group in 1953 and became Chief Geophysicist in 1959.

RAYMOND I. SMITH, B.Sc., M.Sc., P.Geol. — Chief Geologist

Born in 1931. Graduated from McGill University in 1954 with B.Sc. degree in geology. Junior geologist with Texaco Exploration from 1954-1956. Graduated from Oregon State University in 1958 with M.Sc. degree in Geology. Subsurface geologist with Atlantic Richfield, Canada Ltd. 1958-1967. Joined Home in 1967 as District Geologist. Appointed Division Geologist — Northern Canada and Alaska in 1970. Became Chief Geologist February 1, 1972.

The Production and Pipelines Division is headed by Mr. W. D. Lundberg and consists of eighty-six office employees and one hundred and eighty-five field employees. There are twenty-nine professional engineers in this Division. Biographies of the senior personnel in this Division are given below.

HUMBERTO ALFARO, B.Sc., P.Eng. — Manager, Process Department

Born in 1931. Graduated in Petroleum Engineering from University of Lima, Peru in 1952. Came to Canada in 1953 on a one year training fellowship sponsored by the University of Lima and Sea-Oil Company. Joined Home Oil - Oilwell Operators Limited in 1954. Spent thirteen years in the Production Department, involved in a wide variety of duties. In November of 1966 he was transferred to England for a two-year term where he was Operations Manager at our U.K. Pickering Office. Appointed Manager, Information Services Department in 1969 and to present position in 1971. Member of the Association of Professional Engineers of Alberta.

ARNOLD F. JOHNSON, B.Sc., P.Eng. — Manager, Production Department

Born in 1921. Received B.Sc. in Mining Engineering from the University of Alberta in 1949. Joined Home Oil in 1960. Spent two years in the Pipeline Department on Design and Automation. Became Assistant Manager of the Production Department in 1962 and Manager in 1971. Member of the Association of Professional Engineers of Alberta.

ALEXANDER G. MORISON, B.Sc., P.Eng. — Manager, Reservoir Engineering Department

Born in 1924. Received B.Sc., in Mining Engineering from the University of Alberta in 1949 and joined Home Oil the same year. Promoted to present position in 1959. Became an Alberta Land Surveyor in 1953. Attended Banff School of Advanced Management in 1964. Active in the technical committees of the Canadian Petroleum Association and the Independent Petroleum Association. Member of the Association of Professional Engineers of Alberta and the Canadian Institute of Mining and Metallurgy.

RICHARD C. VERNER, B.Sc., P.Eng. — Manager, Pipe Line Department

Born in 1932. Received B.Sc., in Mechanical Engineering from University of Manitoba. Attended Banff School of Advanced Management in 1965. Employed by Texaco Canada Limited from 1956 to 1959, first as Industrial Sales Representative and later as Lubrication Engineer. Joined Home Oil in 1959 as Pipe Line Engineer and appointed to present position in 1962. Member of the Association of Professional Engineers of Alberta.

The United Kingdom operations are administered through the U.K. subsidiary, Home Oil of Canada Limited. Biographies of the senior personnel of this Company are given below:

THE RIGHT HONOURABLE

THE EARL BEATTY D.S.C. — Chairman of the Board

In 1966 The Earl Beatty joined Home Oil of Canada Limited as Director and Chairman of the Board. In 1967 he was appointed a Director of Home Oil Company Limited.

Lord Beatty, son of the First Earl Beatty of the North Sea and of Brooksby, was born in 1905.

He was active in British Politics being Conservative Party MP for Peckham in London from 1931 - 36. He held several parliamentary positions including Parliamentary Private Secretary to the Parliamentary Secretary to the Admiralty and the Under Secretary to the Air Ministry (1945). He also served on the London County Council as Member for Peckham from 1937 - 46.

During the second world war he commanded the destroyers HMS Puffin, Buxton and Boreas and from 1942 - 43 he was with Combined Operations at Dieppe and Sicily. In 1944 - 45 he became Deputy Director of Combined Operations (Material) at the Admiralty.

He became Chairman of the British Commonwealth Games (England) in 1950 and President in 1971. He is also Chairman of Standard Broadcasting (U.K.) Ltd., London.

J. HOWARD GEDDES, B.A.Sc., P.Eng. — Managing Director

Born in 1927. Received B.A.Sc., (with honours) in Mechanical Engineering from University of British Columbia in 1951. Attended Banff School of Advanced Management in 1967. Associated with nuclear reactor group of C.D. Howe Company Limited for two years. Joined Shell Oil Company of Canada as gas engineer in 1953. Joined Home Oil as Gas Plant Superintendent in 1959, and subsequently served as Chief Gas Engineer, Gas Operations Superintendent and Manager, Process Department. Transferred to United Kingdom operations in April, 1969 as Manager, Production. Appointed General Manager in 1969 and to present position in 1971.

The wholesale marketing of liquefied petroleum gases on the American markets is handled through Union Petroleum Corporation, a United States subsidiary. Mr. W. T. Wilkinson was named President in 1971. A biography of the Senior Resident Officer is as follows:

GEORGE T. TENNISON — Executive Vice-President, Union Petroleum Corporation, and Vice-President of Can-Am Liquids Co., Ltd.

Born 1910. Educated in Oklahoma and Texas. Advanced education consists of various special courses in Law and Business. Employed with Skelly Oil Company for seven years and with Shell Oil Company in gas, and gas liquids marketing supply activities for twenty-six years. Past president of Natural Gas Processors Association of America 1957 - 1959. Joined Union Petroleum Corporation in March of 1963.

HOME OIL COMPANY LIMITED

TEN-YEAR FINANCIAL SUMMARY

The tables following page 15 summarize the Consolidated Earnings Statements for the years 1962 to 1971 inclusive, the Consolidated Balance Sheet as a December 31 for each of the years 1962 to 1971 and the Source and Use of Funds Statements for the five years ended December 31, 1971. The statements have been adjusted to reflect any retroactive adjustments that have been made in the accounts of the Company and include the consolidation of Union Petroleum Corporation, accounted for as a pooling of interests.

Accounting Policies

The Company and its subsidiaries follow the full cost method of accounting for oil and gas operations whereby all costs of exploring for and developing oil and gas and related reserves are capitalized and charged against income as set out below. Such costs include land acquisition costs, geological and geophysical expense, carrying charges of non-producing property, costs of drilling both productive and non-productive wells and overhead expense related to exploration activities. The costs are accumulated in cost centres as follows:

- a) North America – Canada and the United States (including Alaska).
- b) Northwestern Europe – The United Kingdom and the Northwestern European Continental Shelf which presently encompasses all sectors of the North Sea, the Celtic Sea and the English Channel.
- c) Other Foreign Areas – A separate cost centre for each foreign area in which the Company is engaged in exploration activities.

Costs accumulated in North America and Northwestern Europe cost centres are depleted using the unit of production method based upon estimated proven developed reserves related to each cost centre, as determined by Company engineers. Expenditures incurred in other Foreign Areas, aggregating \$715,000, are being deferred pending the results of exploration still in progress in each area. These costs will be depleted, by cost centre, on the basis of reserves discovered in each area, or will be written off to income if exploration activities in that area prove unsuccessful.

In calculating depletion, natural gas and sulphur reserves and production are converted to equivalent barrels of crude oil based on the relative net sales value of each product.

The Company calculates depreciation on all other plant and equipment, including production equipment, using the straight line method based on the estimated service life of each group of assets.

When determining taxable income, oil and gas companies are permitted to deduct all exploration and intangible development costs to the extent of income earned, with unlimited carry over provision. Under the full cost method, these deductions, together with capital cost allowances, may be greater than amounts recorded in the financial records for depletion and depreciation. To the extent that current income taxes are reduced by claiming capital cost allowances and exploration and development costs in excess of the amounts provided for depreciation and depletion in the financial records, the Company provides for deferred income taxes by an additional charge to earnings which is credited to "Deferred Income Taxes". The Company is of the opinion that such a provision for deferred income taxes provides a better matching of costs and revenues by recognizing such an unavoidable cost in the year that the profits are earned. This policy is in agreement with the recommendations of the Canadian Institute of Chartered Accountant's Committee on Accounting and Auditing Research. Although a large number of companies have adopted the full cost method of accounting, the majority of these companies have not adopted the deferred income tax principle in conjunction therewith. As a result, the reported net income of Home Oil is not directly comparable with results reported by many companies in the industry who do not provide for deferred taxes. At December 31, 1971, the total amount of income taxes deferred as shown on the balance sheet was \$27,575,000.

The Company follows the equity method of accounting for its investments in 50% owned companies, under which the Company's investment in such companies is carried on the balance sheet at cost plus its share of undistributed earnings or losses. The Company's share of the net earnings or losses of these companies is reflected currently in income.

Acquisitions

During 1964 Home Oil acquired approximately 92% of the outstanding capital stock of United Oils, Limited. The consolidated earnings statements for the year 1964 includes the results of United for the entire year. At December 31, 1971 Home Oil held 96.6% of the outstanding capital stock of United.

On April 9, 1968 the Company acquired all of the issued and outstanding shares of Union Petroleum Corporation in exchange for 101,085 shares of Class A stock. The acquisition has been accounted for as a pooling of interests and the stated capital stock and retained earnings of Union have been credited to the capital stock and retained earnings of the Company. The ten year summary has been adjusted to reflect this change back to 1964.

Financing of Operations

During the period covered by the summary, Home Oil has enjoyed a period of rapid expansion and diversification. Large sums of money have been expended on the exploration for and development of oil and natural gas reserves. Substantial investments were made in TransCanada PipeLines Limited, Atlantic Richfield Company and Calgary Power Ltd., portions of which were sold in 1970 and 1971.

Cash flow and borrowings have been the main sources for financing of operations. In addition, funds were obtained in 1969 from the sale of 900,000 Class A shares in the United States, providing net proceeds of approximately \$38,975,000 (Canadian). In 1970, the Company received \$25,596,000 from the sale of 475,000 shares of Calgary Power Ltd. and 500,000 shares of TransCanada PipeLines Limited. In addition, in 1970 the owners of the natural gas reserves in the Harmattan Elkton and Harmattan East fields received an interest free advance from TransCanada PipeLines Limited against the future sales of this gas. Home's share of this advance amounted to \$1,680,000, and will be repaid according to formula from a portion of the proceeds of sales of gas from these fields.

In 1971, the net flow of funds from operations totalled \$15,964,000. These funds were supplemented by the sale of 100,000 shares of TransCanada PipeLines Limited which realized \$3,375,000.

In the early part of 1971, the Company completed negotiations in the United Kingdom for the receipt of a six-year \$3,250,000 (U.S.) Eurodollar loan. This loan was repayable in seventy-two monthly instalments, expiring May 1, 1977, with interest rate redetermined every six months at 1½% over the then prevailing London Interbank Eurodollar market rate. This loan was repaid in 1972 with the proceeds from the sale of investments.

On November 2, 1971, Foothills Oil and Gas Company, Limited and Coastal Oils Limited sold, respectively, 170,939 and 104,567 Class B shares of Home Oil Company Limited to The Consumers' Gas Company at a price of \$33.10 per share, aggregating \$9,119,000. This price was the weighted average selling price of Class B shares of Home on the Toronto Stock Exchange during the month of October, 1971.

Subsequent to December 31, 1971, the Company disposed of a further 200,000 common shares of TransCanada PipeLines Limited for \$7,930,000, reducing the Company's holdings to 500,000 common shares.

On February 1, 1972 the Company completed the sale to its underwriters of \$25,000,000 principal amount of 5½% Convertible Subordinated Debentures, due February 1, 1992, for an aggregate consideration of \$24,500,000. These funds were used mainly to retire the Company's short term bank indebtedness.

Capital Changes

The outstanding capital stock of the Company at the end of 1962 and 1971 are compared below (after deducting in 1962 275,506 Class B shares held by subsidiary companies and allowing for a 10% stock dividend declared in 1963):

	December 31	
	1971	1962
Class A shares	4,784,847	2,468,035
Class B shares	2,572,905	2,074,525

The principal additions to the Class A shares results from the following:

Sold in 1969 in the United States	900,000
Conversion of 5½% Convertible Subordinated Debentures	1,019,375
Conversion of 5-3/4% Secured Convertible Debentures	116,439
Acquisition of Union Petroleum Corporation	101,085
Warrants	72,286
Options	97,623

On July 1, 1963, 414,126 Class A shares (after deduction of Class A shares received by a subsidiary company) were issued as a stock dividend of one Class A share for each ten Class A or Class B shares outstanding at May 31, 1963. The outstanding shares were adjusted for the years prior to 1963 to reflect the stock dividend.

As at December 31, 1971 there were 281,312 Class A shares reserved for exercise of warrants and options. Of these, 171,347 shares relate to the officers and key employees stock option plan, under which there were options outstanding on 20,847 shares. During 1971 options were exercised on 17,653 Class A shares.

TEN YEAR SUMMARY

(\$000 omitted)

CONSOLIDATED EARNINGS STATEMENT										
	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962
Income from operations and Investment	\$ 34,252	\$ 30,008	\$ 27,709	\$ 25,272	\$ 24,092	\$ 23,410	\$ 22,075	\$ 19,438	\$ 14,472	\$ 13,032
Less: Operating expense	5,407	4,121	3,610	3,634	3,371	2,918	2,611	2,469	2,226	2,335
General and administrative expense	4,081	4,018	4,019	3,975	3,814	3,477	3,258	2,941	1,641	1,564
Depreciation, depletion and amortization	9,304	7,505	5,027	4,693	4,205	3,694	3,607	3,634	3,206	3,197
Interest and expense on long term debt	4,476	6,128	5,872	5,178	5,574	5,758	4,445	3,729	3,348	3,849
Other interest	1,939	1,677	1,893	1,089	397	164	247	753	420	15
	25,207	23,449	20,421	18,569	17,361	16,010	14,168	13,526	10,841	10,960
Net income (loss) before income taxes	9,045	6,559	7,288	6,703	6,731	7,399	7,907	5,912	3,631	2,072
Current income taxes	1,778	41	-	-	-	27	55	(21)	-	-
Deferred income taxes	2,030	2,461	2,285	2,383	2,016	2,042	2,214	1,793	1,383	806
Net income (loss) before extraordinary items	\$ 5,237	\$ 4,057	\$ 5,003	\$ 4,320	\$ 4,715	\$ 5,331	\$ 5,638	\$ 4,140	\$ 2,248	\$ 1,266
Per share (Note 1)	\$.73	\$ 0.58	\$ 0.73	\$ 0.81	\$ 0.93	\$ 1.07	\$ 1.15	\$ 0.87	\$ 0.52	\$ 0.28
Extraordinary items	\$ 838	\$ 1,390	\$ (466)	\$ 6,343	\$ 403	-	\$ 516	\$ 1,012	\$ 1,034	\$ -
Per share (Note 1)	\$.12	\$.20	\$ (.07)	\$ 1.18	\$ 0.08	-	\$ 0.11	\$ 0.21	\$ -	\$ -
CONSOLIDATED BALANCE SHEET										
Assets:										
Current assets	\$ 20,136	\$ 14,036	\$ 15,479	\$ 13,367	\$ 14,347	\$ 15,158	\$ 15,373	\$ 12,489	\$ 8,934	\$ 4,661
Investments	76,949	79,692	103,861	93,987	64,814	52,670	50,590	36,545	34,108	41,330
Property, plant and equipment (net)	171,856	164,621	154,456	120,681	106,798	101,401	92,204	85,716	64,559	60,744
Other assets and deferred charges	1,709	2,471	1,093	890	1,561	1,617	1,618	1,992	1,252	1,818
	\$ 270,650	\$ 260,820	\$ 274,889	\$ 228,925	\$ 187,520	\$ 170,846	\$ 159,785	\$ 136,742	\$ 108,853	\$ 108,553
Liabilities:										
Current liabilities	42,232	42,340	34,435	55,682	17,876	10,396	22,318	8,914	9,935	7,978
Prepayment of future natural gas sales	1,680	1,680	-	-	-	-	-	-	-	-
Long term debt	55,760	59,779	89,009	64,092	90,333	86,624	69,941	67,287	47,069	52,430
Deferred income taxes	27,575	25,545	23,086	20,801	18,415	16,309	14,269	11,797	9,339	7,956
	127,247	129,344	146,530	140,575	126,624	113,329	106,528	87,998	66,343	68,364
Capital stock and surplus	143,403	131,476	128,359	88,350	60,896	57,517	53,257	48,744	42,510	40,189
	\$ 270,650	\$ 260,820	\$ 274,889	\$ 228,925	\$ 187,520	\$ 170,846	\$ 159,785	\$ 136,742	\$ 108,853	\$ 108,553
Average number of shares issued and outstanding (Note 2) (000's)	7,121	7,024	6,852	5,363	5,059	4,985	4,904	4,759	4,336	4,546
Number of shares issued and outstanding December 31 (000's)	7,358	7,065	7,002	6,102	5,091	5,046	4,936	4,842	4,565	4,548
Note 1: Per share earnings based on average number of shares outstanding for the year.										
Note 2: Number of shares outstanding at the end of each period adjusted for years prior to 1963 to reflect 10% stock dividend paid July 1, 1963.										

HOME OIL COMPANY LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS

YEARS 1967 - 1971

(\$000 omitted)

FUNDS WERE OBTAINED FROM:

	1971	1970	1969	1968(1)	1967
Net income before special items	\$ 5,237	\$ 4,057	\$ 5,003	\$ 4,320	\$ 4,715
Adjustment for non-cash items and difference between earnings of 50% owned companies and dividends received	10,727	9,948	7,387	7,290	6,415
Net flow of funds from operations	15,964	14,005	12,390	11,610	11,130
Sale of Class B shares by subsidiaries	9,119	-	-	-	-
Long term borrowings - net	3,269	10,000	32,541	-	7,610
Prepayment of future natural gas sales	-	1,680	-	-	-
Issuance of capital stock	353	1,188	38,975	103	796
Sales of investments	3,375	25,738	858	19,285(2)	261
	<u>\$ 32,080</u>	<u>\$ 52,611</u>	<u>\$ 84,764</u>	<u>\$ 30,998</u>	<u>\$ 19,797</u>

FUNDS WERE USED FOR:

Expenditures for property, plant and equipment	\$ 15,295	\$ 17,967	\$ 38,887	\$ 18,514	\$ 9,397
Investment in Atlantic Richfield Company	-	-	10,835	39,183	-
Investment in Sinclair Oil Corporation	-	-	-	2,789	-
Investment in TransCanada PipeLines Limited - net	-	-	338	-	-
Investment in Union Gas Company of Canada, Limited	-	-	-	-	9,656(2)
Reduction in long term debt	7,288	39,230	7,624	6,129	3,952
Dividends	3,606	3,517	3,501	2,875	2,481
Other investments and miscellaneous	(317)	1,245	220	294	2,604
	<u>25,872</u>	<u>61,959</u>	<u>61,405</u>	<u>69,784</u>	<u>28,090</u>
Increase (decrease) in working capital	6,208	(9,348)	23,359	(38,786)	(8,293)
	<u>\$ 32,080</u>	<u>\$ 52,611</u>	<u>\$ 84,764</u>	<u>\$ 30,998</u>	<u>\$ 19,797</u>

Notes: (1) Prior years' figures adjusted for acquisition of Union Petroleum Corporation

(2) Investment in Union Gas Company of Canada, Limited was sold in 1968.

EXPLORATION

During 1971 exploratory activities were carried out in many areas within Canada and in several foreign areas resulting in a total exploration expenditure of \$9,194,000.

Home had varying interests in a total of 78 exploration and development wells that were drilled and completed during the year and was participating in an additional six wells being drilled at year end. The completed 59 exploratory wells resulted in 12 gas and 3 oil discoveries in Alberta, British Columbia, U.S.A., England and the North Sea, and 44 wells were dry and abandoned. The 19 completed development wells resulted in 3 gas and 11 oil wells in the Mitsue, Brazeau, and Manyberries areas of Alberta, and the Lockton area in Yorkshire, England.

The areas of major exploratory interest to the Company, in which geophysical exploration and/or drilling was carried out, were in Alberta, North-Eastern British Columbia, Hudson Bay, South-Western Ontario, Northwest Territories, and Yukon Territory, Yorkshire in England, and the U.K. and Norwegian sectors of the North Sea. In addition, Home has entered the Mediterranean and is conducting an exploration program offshore Malta and is participating in an exploration program on and offshore Italy. Home is participating in exploration in California and Utah, which has resulted in one gas discovery in Utah.

During 1971, the Company entered into a Norwegian limited partnership for the construction and operation of a semi-submersible drilling vessel, expected to be completed in 1973. The cost of construction of the vessel is estimated at \$23 million of which the Company's share is 20%. In addition, the Company has contracted for the use of the vessel for one year.

LAND

At the end of 1971 the Company's land interests amounted to 10,293,874 gross acres, or 4,566,410 net acres. Major land acquisitions during the year included 141,390 gross acres of Permits, Reservations and Leases in Alberta, 91,360 gross acres of Permits in North-Eastern British Columbia, 245,915 gross acres on Ellef Ringnes Island, 435,902 gross acres of offshore Licenses in Malta, and 1,555,452 gross acres of Permits onshore and offshore Italy. In addition, Home earned varying interests in two Permits in North-Eastern British Columbia by drilling exploratory wells under farmout agreements.

CANADA

In Alberta, exploratory drilling, wherein the Company owned a working interest and paid a portion or all of the drilling costs, resulted in the completion of one oil discovery in Southern Alberta and four gas wells in the Joarcam, Smith and Pakowki areas of Alberta, with one well drilling at year end in the Ram River area.

The Company drilled three wells in North-Eastern British Columbia resulting in a promising gas discovery in the Cache Creek Area where follow up drilling will be conducted during 1972. A shallow well drilling program involving 40 wells in Aldborough Township in South-West Ontario commenced late in 1971 and will be continued into 1972.

Thirty wells were drilled by other companies on Home lands under various farmout agreements in which all of the drilling costs were borne by other companies in exchange for varying interests in the lands on which the wells were drilled. This drilling resulted in gas discoveries in South-Eastern Alberta and the Bistcho Lake area in Northern Alberta and two oil wells in the Sylvan Lake and Grand Forks area of Alberta.

Additional information was gained on Company acreage by means of dry hole contributions to wells drilled by others on nearby acreage.

Geophysical crews operated by Home and partners concentrated in the Quirk Creek, Obed, Dunvegan and Beaverlodge areas of Alberta and in North-Eastern British Columbia, resulting in the selection of locations for drilling in the Beaverlodge area of Alberta and North-Eastern British Columbia early in 1972. A marine seismic program was completed on the Company's permits in Hudson Bay, and Home participated in a seismic program in the Grandview area of the Northwest Territories and the Bell River area of the Yukon Territory.

UNITED KINGDOM

During 1971 the Company's English subsidiary continued seismic exploration on its licenses in Yorkshire. Exploratory activities done in the North Sea are outlined on page 5.

MEDITERRANEAN

In 1971 the Government of Malta issued its first Production Licenses covering offshore acreage. Home has an interest in and is operator for a consortium which was awarded one license. A marine seismic program was completed on the license, resulting in the selection of a location for an exploratory well which commenced drilling early in 1972. In addition, Home is participating in a marine seismic program on Permits off the west coast of Italy and participated in the drilling of two exploratory wells both of which were dry.

ALASKA

Exploration activities in Alaska were suspended during 1971, primarily as a result of the uncertainties surrounding the transporting of North Slope crude oil to southern markets. The Company was relieved of any further obligations under the Atlantic Richfield farmout commitment in consideration for reducing its interest in a portion of the farmout lands.

One of the participants in tract 73 which was acquired at the State of Alaska land sale has signified its intention to drill an exploratory well on the block. The Company elected not to participate in this venture and will, if the drilling proceeds, forfeit its interest in a substantial portion of the lease.

The Company has an interest in 105,098 gross acres of priority applications for leases in Alaska. These applications are subject to Federal designation of lands for certain purposes (such as national monuments and wild-life reserves), and may be subject to designation of certain lands for competitive bidding for oil and gas leases and may be subject to the rights of various native groups. As a result, there is no assurance that the Company will acquire leases pursuant to its priority applications for leases.

In 1972, an exploration farmout agreement has been negotiated with third parties under which they will drill a deep test on a large lease block jointly owned by the Company and Atlantic Richfield. The well has been commenced but may be suspended during the summer season and completed next winter. Under this agreement the farmees have the right to carry out further drilling on leases in which Home has an interest.

MINING

During 1971 Home participated with major mining companies in ten exploration syndicates in British Columbia, Yukon Territory, South-Western Alberta, Ontario and New Brunswick, with interests varying from 12.2% to 50%. In general, exploration and research concentrated on the search for base metal deposits in British Columbia and Eastern Canada and investigation of coal occurrences in South-Western Alberta. Four of the syndicates were terminated late in 1971 and the Company will continue to participate in further exploration in South-Western Alberta, British Columbia and the Yukon Territory and New Brunswick, involving magnetic and geological surveys and mapping, soil sampling, trenching and rotary drilling.

DRILLING ACTIVITIES

The drilling activities of Home Oil for the ten year period 1962 to 1971 are outlined in the table below:

Summary of Working Interest Wells Drilled
Excludes Wells Drilled by Others on Company Lands

<u>Year</u>	<u>Gross Wells</u>	<u>Net Oil</u>	<u>Net Gas</u>	<u>Net Dry</u>
1962	65	9	2	10
1963	68	8	3	9
1964	52	16	1	8
1965	78	11	3	21
1966	54	3	6	11
1967	49	8	3	13
1968	39	-	4	15
1969	38	1	4	11
1970	14	-	2	4
1971	54	4	5	12

EXPLORATION ACREAGE

AS AT DECEMBER 31, 1971

	Petroleum and Natural Gas Leases		Reservations, Licences and Permits		Total	
	Gross	Net	Gross	Net	Gross	Net
CANADA						
Alberta	2,531,500	1,211,452	566,485	237,472	3,097,985	1,448,924
British Columbia	39,025	12,979	704,372	306,515	743,397	319,494
Arctic Islands	-	-	245,915	140,783	245,915	140,783
Northwest Territories	-	-	400,728	62,742	400,728	62,742
Hudson Bay	-	-	898,431	898,431	898,431	898,431
Yukon Territory	-	-	1,032,561	250,379	1,032,561	250,379
Ontario	30,029	9,774	-	-	30,029	9,774
Saskatchewan	194,162	81,768	-	-	194,162	81,768
	<u>2,794,716</u>	<u>1,315,973</u>	<u>3,848,492</u>	<u>1,896,322</u>	<u>6,643,208</u>	<u>3,212,295</u>
EUROPE						
Italy	-	-	1,555,452	376,863	1,555,452	376,863
Malta	-	-	435,902	92,629	435,902	92,629
Yorkshire (U.K.)	-	-	931,588	465,794	931,588	465,794
North Sea (U.K.)	-	-	55,856	3,561	55,856	3,561
	<u>-</u>	<u>-</u>	<u>2,978,798</u>	<u>938,847</u>	<u>2,978,798</u>	<u>938,847</u>
UNITED STATES						
Alaska	607,598	397,460	-	-	607,598	397,460
California	3,335	834	-	-	3,335	834
Utah	58,615	14,654	-	-	58,615	14,654
Wyoming	2,320	2,320	-	-	2,320	2,320
	<u>671,868</u>	<u>415,268</u>	<u>-</u>	<u>-</u>	<u>671,868</u>	<u>415,268</u>
TOTAL	<u>3,466,584</u>	<u>1,731,241</u>	<u>6,827,290</u>	<u>2,835,169</u>	<u>10,293,874</u>	<u>4,566,410</u>

Prior years' comparative totals

1970	1,973,781	5,537,837	2,878,089	9,333,965	4,851,870
1969	2,142,738	5,045,978	2,434,647	9,175,849	4,577,385
1968	1,609,938	4,784,438	3,030,152	8,319,076	4,640,090
1967	1,095,135	4,597,684	2,605,786	6,871,974	3,700,921
1966	930,279	4,136,617	2,187,315	6,236,467	3,117,594

PRODUCTION

Pro-Rationing System

The production of most crude oil in Alberta is prorated to market demand in accordance with a proration plan established by the Alberta Energy Resources Conservation Board. The basic principle of this plan is that the market for light and medium types of oil is prorated between pools in relative proportion to the pool's recoverable reserves. The pool's allowable is then prorated to each well according to the recovery mechanism in effect and the amount of acreage assigned to the well. The net result is that those fields having high recoverable oil reserves per acre enjoy high allowables. A hearing is being held by the Board to consider amendments to the proration plan which would have the effect of increasing the minimum allowables assigned to wells located in low reserve fields discovered after April 1969.

The royalty rates on leases from the Province of Alberta are set by the Government of Alberta and will be reviewed by the Government in 1972.

The Company's largest volume of oil production from any single area comes from the Swan Hills field. This field produced 6.2% of the provincial light and medium oil demand in 1964. In 1971 the Swan Hills field produced 7.6% of the provincial demand for light and medium oil.

Production

During 1971 crude oil production reached the highest level in the history of the Company. This was mainly attributable to the higher exports to the United States of Canadian crude.

The Company realized an average net revenue of \$2.5085 per barrel of crude oil produced from the properties in which it held a working interest, after deduction of average production costs of \$.4361 per barrel.

The production of natural gas and associated products was also at an alltime high, with the exception only of condensate. The markets for natural gas and liquids continued strong, but sulphur revenues continued low as a result of depressed prices caused by the world over supply situation.

Approximately 80% of the sales of natural gas is under contracts which are subject to price renegotiations at stated intervals.

Unitization

Unitization means that a field or segment of a field is operated by one company and that the owners of the production reserves have pooled their individual interests in return for an interest in the overall unit. Production units have been formed in the various oil pools to permit maximum efficiency in the operation of pressure maintenance and secondary recovery projects which are designed to increase oil recovery. All unitized oil pools have pressure maintenance or secondary recovery operations installed. Unitization of gas pools allows development, producing and processing costs to be minimized, thus contributing greatly to maximum recovery and sales of gas and gas liquids.

Reserves

The attached comparative table shows Home Oil's reserves as at January 1 for the years 1968 to 1972.

The Company's remaining proven reserves of crude oil, natural gas liquids, natural gas and sulphur all declined during 1971, primarily due to production during the year. Some minor changes were made in the reserves due to performance.

Statistical Information

Crude oil, natural gas liquids and natural gas statistics are set out in Tables I and II, of Appendix I. Table III provides a tabulation of wellhead prices for crude oil in representative oil fields. Table IV of Appendix I sets out the various interests of Home Oil in crude oil and natural gas units. Appendix II sets out in table form the basic information about the various fields from which the Company derives the majority of its production.

CRUDE OIL, NATURAL GAS LIQUIDS, NATURAL GAS AND SULPHUR RESERVES

(Home's Net Share After Royalty)

1968 – 1972

(000's omitted)

	<u>January 1, 1972</u>	<u>January 1, 1971</u>	<u>January 1, 1970</u>	<u>January 1, 1969</u>	<u>January 1, 1968</u>
CRUDE OIL RESERVES (BBLs.)					
Proven developed	133,490	138,068	137,711	140,219	135,152
Proven undeveloped	<u>-</u>	<u>59</u>	<u>59</u>	<u>581</u>	<u>108</u>
	<u>133,490</u>	<u>138,127</u>	<u>137,770</u>	<u>140,800</u>	<u>135,260</u>
NATURAL GAS LIQUIDS (BBLs.)					
Proven developed	<u>16,209</u>	<u>16,889</u>	<u>17,875</u>	<u>16,704</u>	<u>17,733</u>
Total proven crude oil and natural gas liquids	<u>149,699</u>	<u>155,016</u>	<u>155,645</u>	<u>157,504</u>	<u>152,993</u>
NATURAL GAS (MCF.)					
Proven developed	710,767	800,233	788,258	779,859	698,697
Proven undeveloped	<u>3,500</u>	<u>3,496</u>	<u>21,014</u>	<u>9,203</u>	<u>9,622</u>
	<u>714,267</u>	<u>803,729</u>	<u>809,272</u>	<u>789,062</u>	<u>708,319</u>
SULPHUR (LONG TONS)					
Proven developed	<u>1,437</u>	<u>1,485</u>	<u>1,455</u>	<u>1,493</u>	<u>1,636</u>

The above figures do not include probable additional reserves.

PIPE LINES

CREMONA PIPE LINE DIVISION

Construction of Home Oil's Cremona Pipe Line started in June, 1956 and operations commenced in September of the same year. A number of major extensions have been made since that time.

Today, the system consists of 156.8 miles of crude oil lines and 151.7 miles of condensate lines. These carry crude oil, butane and condensate from Westward Ho, Harmattan-Elkton, Harmattan East, Crossfield, Garrington and neighbouring gas plants to refineries in Calgary and Bowden, or to the junction of the Rangeland Pipe Line system owned by Hudson's Bay Oil and Gas Company Limited. Cremona also handles crude oil trucked to Calgary from various southern Alberta oilfields. The main crude oil line has a delivery capacity of 24,000 barrels per day into Calgary and is capable of delivering at a lesser rate to the Rangeland Pipeline System. The Natural Gas Liquids System has a delivery capacity of 22,000 barrels per day to the Rangeland Pipeline System and can also handle deliveries to Calgary.

Fields, Plants and Refineries Served

Fields: Westward Ho, Harmattan-Elkton, Harmattan East, Crossfield, Garrington (43 gathering points).
Plants: Carstairs-Crossfield, Harmattan Area, East Calgary, King Resources, Olds Processing, Crossfield East, Triad Processing, Lone-Pine Creek.
Refineries: Calgary - Gulf Oil, Imperial Oil; Bowden - Shell Oil Company

Average Daily Throughputs

Year	Gathering
1962	29,260
1963	31,862
1964	33,496
1965	36,348
1966	36,265
1967	37,193
1968	39,268
1969	38,267
1970	39,670
1971	38,854

FEDERATED PIPE LINES LTD.

Federated Pipe Lines Ltd. owns and operates a pipeline system connecting fields in the Swan Hills area with Edmonton. The company, which is owned jointly by Home Oil Company Limited and Texaco Canada Limited, completed construction of its initial system in the fall of 1958 and commenced deliveries to Edmonton in January 1959. Since that time the system has been continually extended to serve new fields, extensions of existing fields, and expanded to handle the additional volumes of oil produced.

Federated Pipe Lines Ltd. now comprises 347.3 miles of main line (including loops) and 299.8 miles of gathering line, utilizing three pump stations at Judy Creek, Swan Hills and Highridge with a combined total of 9,100 horsepower installed. The system has a rated capacity of 287,000 barrels/day. Forecasts indicate that further gathering and mainline expansion will be required in 1972 to handle gatherings in excess of 300,000 barrels per day.

Fields, Refineries and Terminals Served

Fields: Swan Hills, Swan Hills South, Judy Creek, Judy Creek South, Carson Creek North, Virginia Hills, Deer Mountain, Freeman, Swan Hills East, Swan Hills North and House Mountain (42 gathering points).
Refineries: Texaco Canada Limited
Pipe Line
Terminals: Interprovincial Pipe Line Co., Trans-Mountain Oil Pipe Line Company.

Average Daily Throughputs

Year	Gatherings
1962	58,918
1963	67,727
1964	82,252
1965	110,719
1966	128,462
1967	140,235
1968	156,001
1969	160,408
1970	184,175
1971	211,701

MARKETING

Sulphur Marketing

Home Oil Company Limited began marketing sulphur on behalf of a number of owners of the Carstairs-Crossfield and Nevis Gas fields in 1963. The majority of sulphur is marketed in liquid form and Home has its own fleet of sulphur railway tank cars to facilitate this operation. The table below outlines the quantities of sulphur which have been marketed by the Company during the past five years.

Year	Long Tons
1967	57,253
1968	56,222
1969	45,990
1970	59,628
1971	58,150

Liquified Petroleum Gas Marketing

In 1966, Home Oil began diversifying into the field of liquified petroleum gas (L.P.G.) marketing and its first step was to incorporate Hardisty Storage Ltd., in conjunction with Canadian Superior Oil Ltd. and Union Petroleum Corporation. During 1971, Hardisty Storage Ltd. was placed in voluntary liquidation and the assets became the joint property of Home Oil and Canadian Superior Oil Ltd. These facilities, which are located at Hardisty, Alberta, include over 50 million gallons of underground salt cavern storage for propane and butanes, a 6,000 barrel per day butane fractionating plant, railway loading and unloading racks capable of handling forty jumbo tank cars, a pipeline connection to Interprovincial Pipe Lines Ltd. as well as tank truck loading facilities.

In 1966, Home Oil together with Union Petroleum Corporation, a Tulsa-based L.P.G. marketing company, formed Can-Am Liquids Co., Ltd. to market and transport L.P.G. in Canada. In April of 1968, Home Oil acquired all of the outstanding shares of Union and in 1969, to completely consolidate its L.P.G. marketing, Home transferred its interests in the Canadian marketing company to Union.

At the present time Union Petroleum Corporation and its wholly-owned subsidiary, Can-Am Liquids Co., Ltd. handle all Home's L.P.G. marketing in both Canada and the U.S.A. They operate a jumbo railway tank car fleet of over 450 as well as a truck transport fleet and bulk storage depots. During 1971, Union and its subsidiary marketed 244 million gallons of product as compared to 271 million in 1970. This drop in volume was primarily due to an unusually mild winter of 1971 and a late fall. The operations were also adversely affected by the U.S. Government's price freeze in August, 1971. The Company was unable to make its customary price adjustment and had to write down the value of its year-end inventory to reflect the decline in its market value.

The senior management of Union Petroleum Corporation is as follows:

Oakah L Jones	Chairman of The Board
W. T. Wilkinson	President
George T. Tennison	Executive Vice-President
Don G. Reyburn	Vice-President
Charles T. Baker	Vice-President
S. W. McLaughlin	Vice-President
Melvin R. Walters	Secretary and Treasurer

INVESTMENTS

TRANSCANADA PIPELINES LIMITED

In 1957 Home Oil made its first investments in TransCanada PipeLines, and continued to increase its investment in subsequent years. Purchases were made both of shares and 5½% Subordinated Convertible Income Notes. In 1961 and 1962 Home Oil's overall investment remained at essentially the same level, but some 5½% Subordinated Convertible Income Notes were exchanged for common shares.

During the first half of 1963 Home Oil exchanged the remainder of its holdings of TransCanada's income notes for shares, and increased its overall investment in TransCanada by approximately \$4.6 million. Late in the year Home Oil called its 6% Convertible Subordinated Debentures, which were convertible into shares of TransCanada at \$27 per share. Practically all of the holders exercised their privilege of conversion, and this had the effect of reducing Home Oil's holdings of TransCanada by 662,521 shares. During the period 1964 - 1966 the Company increased its holdings by 60,630 shares and during 1969 by a further 8,115 shares. The Company sold 500,000 shares in 1970 and a further 100,000 shares in 1971.

At December 31, 1971, Home Oil held 700,000 shares. In early 1972, a further 200,000 shares were sold, reducing the Company's holdings to 500,000 shares, carried at a cost of \$12,675,000.

At December 31, 1971, the shares of TransCanada were pledged as security for the 6¼% Collateral Trust Bonds and the bank loans of the company.

ATLANTIC RICHFIELD COMPANY

Atlantic Richfield Company with its subsidiaries is engaged in the exploration for, and development, production, purchase, transportation and sale of, crude petroleum and natural gas, and in the manufacturing, transportation and marketing of petroleum products derived from crude oil, including petrochemicals. Operations are conducted principally in the United States, but the Company also obtains substantial quantities of crude petroleum from its interests in properties in a number of foreign countries which it sells outside the United States or imports for use in its refineries. The Company, with its subsidiaries, comprises one of the large integrated enterprises in the petroleum industry.

Home Oil made its first investment in Atlantic Richfield Company in 1968 with the purchase of 331,000 common shares. An additional 59,872 common shares were purchased in 1969.

Home Oil acquired additional shares in Atlantic Richfield Company as a result of the latter's merger with Sinclair Oil Corporation. In 1968, Home had purchased 73,000 common shares of Sinclair Oil Corporation, of which 52,860 shares were sold to Atlantic Richfield Company pursuant to their offer to purchase Sinclair common shares. In 1969, Home purchased a further 33,000 common shares of Sinclair and following the merger of Atlantic Richfield Company and Sinclair on March 4, 1969, Home's holdings in Sinclair were exchanged for 53,440 \$2.80 convertible preference shares and 32,064 common shares of Atlantic Richfield Company.

At December 31, 1971 the Company held 422,936 common and 53,440 \$2.80 convertible preference shares of Atlantic Richfield Company, with a total cost of \$52,806,768. The average cost per share was \$108.55 (U.S.) for common and \$60.75 (U.S.) for preference.

The following table provides a five year summary of Atlantic Richfield Company.

(\$000,000 OMITTED)

	1971	1970	1969	1968	1967
Operating Revenue	\$ 3,658	\$ 3,445	\$ 3,162	\$ 2,799	\$ 2,636
Net Income	199	210	227	200	191
Net Income per Share	3.52	3.70	4.10	3.72	3.59
Dividends Declared per Common Share	2.00	2.00	1.90	1.68	1.48

INFORMATION ABOUT PRODUCTION

TABLE I Crude oil production and natural gas liquids sales by fields

TABLE II Sales of natural gas by fields

TABLE III Wellhead prices in representative oil fields

TABLE IV Percentage interest in crude oil and natural gas units

TABLE I

CRUDE OIL PRODUCTION AND NATURAL GAS LIQUIDS SALES, NET AFTER ROYALTIES

1962 - 1971

FIELD OR AREA

CRUDE OIL PRODUCTION - BBLs.

	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962
Erskine	92,822	85,455	98,080	143,005	149,519	154,173	172,876	179,482	176,678	185,130
Freeman	35,151	42,067	40,982	43,368	58,432	69,603	34,284	21,576	15,397	-
Glenevis	10,547	11,186	10,179	9,684	12,247	14,440	9,631	8,531	8,705	7,320
Harmattan-East	23,958	20,444	16,969	16,327	18,818	18,519	20,676	24,084	24,659	23,476
Harmattan-Elkton	279,572	253,743	248,452	253,586	265,944	263,957	253,156	256,600	380,359	389,727
Joarcan	36,508	33,397	25,839	24,238	26,029	29,552	39,200	39,886	41,225	33,783
Leduc	188,428	193,242	185,846	233,793	251,048	253,183	289,200	355,640	359,980	379,905
Mitsue-Saulteaux	766,250	641,313	549,163	338,560	305,297	284,113	210,162	19,923	-	-
Pembina	802,735	735,871	553,598	503,138	457,138	456,209	481,731	551,795	323,244	316,726
Rainbow	29,415	27,928	37,652	44,617	32,201	-	-	-	-	-
Saskatchewan	19,381	24,207	16,365	13,395	10,658	4,275	2,486	-	-	-
Stettler	13,145	10,880	9,239	9,107	10,850	10,481	10,168	10,594	11,255	11,802
Swan Hills	3,358,966	2,653,892	2,427,584	2,348,800	1,998,839	1,782,699	1,665,081	1,325,564	959,586	869,557
Turner Valley	294,355	319,889	316,674	313,902	311,963	337,751	357,980	400,199	404,263	402,028
Virginia Hills	550,619	518,072	441,368	376,543	387,458	395,857	350,084	292,544	220,057	205,522
Westward Ho	57,982	60,460	70,360	93,584	96,687	88,577	78,248	96,757	100,692	100,666
Others	30,719	26,374	24,570	35,546	24,925	16,082	30,867	42,520	49,937	31,238
Daily Average	6,590,553	5,658,420	5,072,920	4,801,193	4,418,053	4,179,471	4,001,597	3,625,695	3,076,037	2,956,880
	18,056	15,503	13,898	13,118	12,104	11,451	10,963	9,906	8,427	8,101

NATURAL GAS LIQUIDS - SALES
BBLs.

Brazeau-Nordegg	8,498	6,945	-	-	-	-	-	-	-	-
Calgary	70,126	72,041	65,389	61,789	53,614	67,878	34,078	30,339	27,951	33,561
Carstairs	560,300	706,833	521,951	514,550	387,382	303,089	352,684	326,788	321,896	275,704
Crossfield-Turner Valley	21,180	71,565	35,073	33,479	25,477	14,576	10,725	11,289	10,732	13,045
Harmattan East	18,606	18,735	21,575	15,847	20,582	22,930	21,806	13,959	528	-
Harmattan Elkton	207,467	209,326	208,692	190,359	167,464	175,861	147,326	130,004	125,733	73,469
Jumping Pound	12,852	9,534	14,239	10,077	6,699	7,907	5,777	9,203	7,210	8,254
Mitsue	38,853	12,687	-	-	-	-	-	-	-	-
Nevis	90,637	82,455	62,427	65,884	61,158	54,368	54,050	54,569	46,823	26,866
Pembina	12,373	9,130	8,925	9,865	14,082	12,319	9,536	9,829	7,929	7,953
Retlaw	5,092	5,428	8,250	8,331	5,697	3,268	1,945	123	-	-
Sarcee	18,557	21,295	16,449	13,299	14,031	14,556	14,222	11,413	10,071	7,718
South Elkton	8,190	9,503	12,835	10,431	12,001	12,958	4,375	-	-	-
Turner Valley	22,398	23,591	26,699	23,903	19,393	15,489	12,035	25,798	25,078	23,088
Others	28,609	15,109	7,809	7,912	6,711	6,113	5,368	5,252	5,569	5,212
Daily Average	1,123,738	1,274,177	1,010,313	965,726	794,291	711,312	673,927	628,566	589,520	474,870
	3,079	3,491	2,768	2,639	2,176	1,949	1,846	1,717	1,615	1,301
TOTAL DAILY AVERAGE CRUDE OIL AND N.G.L.'s	21,135	18,994	16,666	15,757	14,280	13,400	12,809	11,623	10,042	9,402

- (1) Includes production from Morse River area which was incorporated into Swan Hills during 1964.
 (2) These fields include Manyberries, Sundre, Nevis, Golden Spike, Medicine River, Craighower, Crossfield, Ferrier.
 (3) These fields include Wildcat Hills, Sylvan Lake, East-Crossfield, Erskine, Leduc, Whitecourt, Westward Ho.

TABLE II
SALES OF NATURAL GAS, NET AFTER ROYALTIES
1962 — 1971

FIELD OR AREA (Thousand Cubic Feet)	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962
Atlee-Buffalo-Jenner	64,232	99,047	107,953	179,236	187,025	196,914	217,589	206,501	173,764	215,534
Bindloss	395,143	440,887	325,057	276,976	313,819	342,612	344,215	246,511	58,583	-
Brazeau - Nordegg	762,107	544,568	-	-	-	-	-	-	-	-
Calgary	2,053,816	2,007,333	1,779,762	1,756,112	1,367,066	1,679,361	1,525,560	1,478,498	1,254,560	1,390,255
Carstairs	10,717,992	11,817,769	10,752,025	9,321,641	8,668,788	9,269,126	10,912,021	9,797,152	9,266,463	7,411,032
Crossfield	1,020,634	815,439	866,973	618,356	536,003	369,013	343,698	366,826	325,246	391,791
Harmattan-Leduc	271,031	472,163	487,502	544,716	447,522	20,682	-	-	-	-
Jumping Pound	767,208	1,175,931	1,366,668	1,209,256	1,100,354	465,686	587,474	895,641	707,099	793,798
Leduc	156,750	134,367	209,834	256,103	220,599	259,741	595,091	395,526	191,567	218,178
Lockton	2,742,388	-	-	-	-	-	-	-	-	-
Marten Hills	2,584,516	2,882,899	222,580	-	-	-	-	-	-	-
Nevis	5,371,121	5,114,445	4,035,372	3,684,793	3,976,057	3,351,456	3,461,556	3,498,045	3,061,199	1,886,021
Pembina	271,727	254,463	199,304	197,079	199,278	75,366	269,440	276,291	149,293	99,463
Pendant d'Oreille	253,857	213,816	340,265	403,520	294,253	569,152	603,662	458,034	496,465	373,405
Retlaw	359,316	473,047	427,633	557,233	512,309	492,531	425,919	49,901	-	-
Sarcee	801,417	724,496	844,526	1,019,135	1,024,733	1,072,345	989,878	817,455	681,918	654,521
South Elkton	287,260	366,756	383,851	418,647	393,703	415,636	139,615	-	-	-
Swan Hills	1,374,073	1,134,374	958,204	969,602	894,799	738,070	472,724	350,343	53,103	-
Turner Valley	1,329,264	1,422,340	1,549,785	1,529,102	1,434,901	863,453	1,184,000	2,609,436	2,662,567	2,271,159
Whitecourt	1,048,704	1,508,676	87,954	-	-	-	-	-	-	-
Others	(1)	972,512	584,576	717,078	705,848	539,958	492,939	246,283	79,702	39,450
		32,575,328	25,529,824	23,658,585	22,276,957	20,721,102	22,565,381	21,692,443	19,161,529	15,744,607
Daily Average	92,879	89,247	69,945	64,641	61,033	56,770	61,823	59,269	52,497	43,136

(1) These fields include Fort Saskatchewan, Virginia Hills, Wildcat Hills, Erskine, Sylvan Lake, Mitsue, Garrington, Amisk Lake, Westward Ho, Sundre, Greencourt.

TABLE III

WELLHEAD PRICES IN REPRESENTATIVE OIL FIELDS
(All in Canadian Dollars)
As At December 31, 1971

Acheson	\$2.96	(fieldgate)	Mitsue	\$3.015	(fieldgate)
Bonnie Glen	3.075		Pembina	2.845	
Crossfield	2.74		Redwater	2.92	(fieldgate)
Erskine	2.33		Stettler	2.47	
Fenn-Big Valley	2.58		Sturgeon Lake South	2.815	
Harmattan East	2.83		Swan Hills	3.02/2.98	
Harmattan Elkton	2.83		Turner Valley	2.85	
Joarcam	2.86		Virginia Hills	2.90	
Joffre	2.89	(Gulf Alta. Pipeline)	Westward Ho	2.74	
Judy Creek	3.075	(fieldgate)	Willesden Green	2.915	
Kaybob-South	2.855		Freeman	2.854	
Leduc-Woodbend	3.04	(fieldgate)	Rainbow	2.56	(37° sweet at fieldgate)

Average price received by the Company for crude oil in 1971 – \$2.9445

TABLE IV

PERCENTAGE WORKING INTERESTS IN CRUDE OIL AND NATURAL GAS UNITS
As Of February 28, 1972

Unit	Home (Per Cent)	Year Unit Formed	Year of Last Revision	Basic Product
Atlee-Buffalo-Jenner	14.8900000	1958	1962	Gas
Carstairs Elkton Unit	34.9588800	1960	1964	Gas
Calgary-Elkton	5.1020386	1961	1963	Gas
Crossfield-Cardium A	2.0329260	1962	1971	Oil
Erskine Gas Unit	19.5078400	1965	1971	Gas
Freeman Unit No. 1	25.8834590	1968	None	Oil
Greencourt Gas	2.3940000	1971	1971	Gas
Harmattan-Elkton				
– Oil interest	20.5195000	1960	1969	Oil
– Gas interest	9.2736000	1960	1969	Gas
Harmattan Leduc	15.0856800	1965	1967	Sulphur
House Mountain Unit No. 4	5.0507300	1968	1968	Oil
Inverness Unit No. 1	22.2954727	1964	1970	Oil
Joarcam Viking	4.8274000	1963	1966	Oil
Leduc D-2	3.9239100	1960	1967	Oil
Leduc D-3	3.8256493	1960	1965	Oil
Marten Hills	40.0635000	1969	1971	Gas
Mitsue Unit	6.8342200	1968	1972	Oil
Morse River Unit	29.6104412	1966	1970	Oil
Nevis Unit No. 1	15.5615200	1959	1970	Gas
Nevis Unit No. 2	15.0259700	1967	1970	Gas
Nordegg	2.4144000	1970	None	Gas
Pembina No. 1	3.9052000	1959	1968	Oil
Pembina No. 3	10.3600000	1960	None	Oil
Pembina No. 8	24.3280000	1962	1968	Oil
Retlaw Unit	29.7382320	1964	1965	Gas
South Elkton	40.4211500	1964	None	Gas
Swan Hills	17.1975913	1963	1971	Oil
Turner Valley Unit No. 3	21.1495160	1959	None	Oil and Gas
Turner Valley Unit No. 4	26.3310000	1960	None	Oil and Gas
Turner Valley Unit No. 5	20.9015400	1960	None	Oil and Gas
Turner Valley Unit No. 6	63.7653000	1960	None	Oil and Gas
Turner Valley Unit No. 7	13.6513000	1962	1968	Gas
Virginia Hills	11.4518350	1963	1970	Oil
Westward Ho	26.3487000	1963	1970	Oil
Whitecourt	29.4288000	1971	None	Gas

The Company has less than a 2% interest in each of 8 additional units. In addition the Company has varying percentage gross royalty interests in a number of the above and other units.

TECHNICAL DATA ON OIL AND GAS FIELDS

TABLE V OIL FIELDS

TABLE VI GAS FIELDS

TABLE V

TECHNICAL DATA ON OIL FIELDS

Field	Zone	Average Depth of Producing Horizon (feet)	Area of Pool (Acres)	Original Reserves			Cumulative Production to December 31, 1971	
				Oil in Place (000 Bbls.)	Recoverable (000 Bbls.)	%	Oil (000 Bbls.)	Gas (Mmcf.)
Erskine	D-2	5,176	142	2,870	430	15.0	200	96
Erskine	D-3	5,387	4,112	38,600	19,300	50.0	15,850	8,996
Harmattan-Elkton	Rundle C	9,128	11,101	188,000	58,300	31.0	26,439	362,098
Leduc	D-2 A	5,103	22,600	205,000	92,300	45.0	82,742	96,324
Leduc	D-3 A	5,315	21,201	295,000	207,000	70.0	186,042	115,767
Leduc	Blairmore A	4,282	687	7,500	1,430	17.0	1,292	1,311
Mitsue	Gilwood A	5,651	140,400	811,000	352,000	47.0	51,914	26,634
Pembina	Cardium	5,081	465,366	7,740,000	1,770,000	23.0	643,814	532,789
Rainbow	Keg River P	6,154	100	5,000	2,000	40.0	394	227
Swan Hills	Beaverhill Lake A & B	8,292	100,960	1,910,000	790,000	41.4	173,196	89,513
Turner Valley	Rundle Limestone	8,389	16,720	1,000,000	120,000	12.0	120,533	2,002,324
Virginia Hills	Beaverhill Lake	9,283	24,350	450,000	174,280	38.7	45,699	22,351
Westward Ho	Rundle A	8,851	5,420	35,000	8,880	25.4	6,690	11,983

TABLE VI

TECHNICAL DATA ON GAS FIELDS

Field	Zone	Average Depth of Producing Horizon (feet)	Area of Pool (Acres)	Original Reserves			Cumulative Production to December 31, 1971		
				Gas in Place (Bcf.)	Sales Gas (Bcf.)	Natural Gas Liquids (000 Bbls.)	Gas (Bcf.)	Liquids (000 Bbls.)	Sulphur (000 Long Tons)
Bindloss	Viking A & B	2,390	63,160	432	321	-	160.5	-	-
Brazeau	Elkton Shunda A & B	9,950	71,060	1,230	880	-	102.0	138	4
Calgary-Crossfield	Wabamun A	8,600	57,820	1,600	686	2,200	297.0	882	3,311
Calgary-Elkton	Rundle B	7,400	22,120	900	650	23,000	385.0	11,017	128
Carstairs	Elkton A	8,100	16,745	1,090	830	23,800	411.0	18,900	54
Crossfield	Rundle A	8,410	34,250	1,240	1,000	33,100	342.0	15,882	49
Harmattan East	Mississippian	8,250	47,700	1,081	748	51,771	310.0	15,416	-
Harmattan Elkton	Mississippian	9,100	18,000	1,056	726	56,603	362.0	18,100	-
Harmattan Leduc	Leduc	11,100	7,700	441	163	-	57.4	-	1,070
Jumping Pound	Mississippian	9,940	6,145	840	620	8,274	396.0	6,573	631
Lockton	Magnesian Limestone	5,800	2,526	300	124	162	1.4	-	-
Marten Hills	Viking-Wabiskaw-Wabamun	1,400/2,260	180,000	1,210	860	-	87.2	-	-
Nevis	Devonian	5,580	31,000	1,040	800	20,800	333.6	10,608	875
Pendant D'Oreille	Lower Cretaceous	2,740	4,480	47	40	-	23.6	-	-
Retlaw	Cretaceous	2,200/3,900	10,000	52	39	585	12.0	149	-
Sarcee	Mississippian	9,950	1,280	190	140	2,255	69.0	981	103
South Elkton	Mississippian	9,100	2,150	38	17	227	8.7	187	-
Swan Hills Area	Beaverhill Lake	8,370	103,780	1,020	415	-	90.0	-	-
Turner Valley	Mississippian	7,000	23,300	2,900	1,260	32,200	2,002.0	29,369	145
Whitecourt	Nordegg) Pekisko) Basal Quartz)	5,000	16,000	128	95	-	21.0	37	-

APPENDIX III

DETAILS OF CAPITAL STOCK AND LONG TERM DEBT Capitalization as at December 31, 1971

CAPITAL STOCK		Outstanding
Class A Shares		4,784,847
Class B Shares		2,572,905
LONG TERM DEBT (including amounts due within one year totalling \$5,332,000)		
Home Oil Company Limited		
6-1/2%	Secured Bonds, due January 31, 1975 (\$2,900,000 U.S.)	\$ 2,758,000
*9.45%	Secured Bonds, Series A due September 30, 1973 (\$1,727,000 U.S.)	1,751,000
*8.20%	Secured Bonds Series B due April 30, 1980 (\$17,404,000 U.S.)	18,669,000
6-7/8%	Secured Bonds, due January 1, 1983 (\$5,847,000 U.S.)	6,316,000
6-1/4%	Collateral Trust Bonds, due April 1, 1983	12,000,000
6-3/4%	Mortgage, maturing 1978	786,000
	Secured Bank Production Loan due October 1, 1976	8,333,000
United Oils, Limited		
*9.35%	Secured Bonds, Series A due November 30, 1973 (\$726,000 U.S.)	757,000
*8.10%	Secured Bonds, Series B due March 31, 1980 (\$4,377,000 U.S.)	4,688,000
Home Oil of Canada Limited		
	Eurodollar Loan (currently 9½%) due May 1, 1977 (\$2,932,000 U.S.)	2,949,000
Union Petroleum Corporation		
	Bank Loan due March 30, 1972 (\$1,875,000 U.S.)	2,029,000
	Lease Purchase Liabilities and Other (\$45,000 U.S.)	56,000
		<u>\$61,092,000</u>

*Effective January 1, 1971, the terms were renegotiated whereby fixed annual payments were substituted for payments based on production from the pledged properties.

CAPITAL STOCK
(at December 31, 1971)

	Authorized	Outstanding	Par
Class A	7,000,000	4,784,847	N.P.V.
Class B	5,000,000	2,572,905	N.P.V.
Preferred	1,000,000	—	\$50

Note: Cygnus Corporation Limited owns 1,000,000 Class B and The Consumers' Gas Company owns 275,506 Class B shares. There were 12,300 holders of Class A and B shares at December 31, 1971.

Listed: HG-Toronto, Vancouver, Calgary, Montreal, American and Pacific Coast Stock Exchanges.

Transfer Agents: Crown Trust Company, Calgary, Vancouver, Toronto, Winnipeg, Montreal.
The Chase Manhattan Bank, New York City.

Price Range of Stock

Canadian Year	CLASS A		CLASS B	
	High	Low	High	Low
1961	13-3/4	7.60	13-5/8	7-1/4
1962	15-7/8	9.35	15-1/8	9-1/4
1963	14-5/8	10	15-1/2	11
1964	23-3/8	12	23	12-3/4
1965	23-3/4	17	24-3/4	18
1966	24-1/2	16-1/8	24-3/4	16-1/4
1967	26-3/4	18	28-1/2	19-5/8
1968	45-1/4	18-1/8	45-1/4	18-3/4
1969	81-1/4	25-1/2	78	26
1970	32-1/2	9-3/4	32	12-3/8
1971	37-1/2	24-1/4	36-3/4	25-7/8

American				
1961	13-1/8	7.68-3/4	12-7/8	7.18-3/4
1962	15-1/8	8-5/8	14-1/4	8-1/2
1963	13-1/8	9-5/8	14-1/4	10-3/8
1964	22-1/4	11	22	12
1965	21-7/8	15-1/2	22-7/8	16-7/8
1966	23-3/8	14-3/4	23-1/4	15-1/8
1967	26-7/8	17	26-7/8	18-5/8
1968	48-1/2	18-1/4	45-1/2	19-1/4
1969	84-1/2	23-5/8	81	24
1970	30-1/4	9-1/8	29-1/2	11-1/2
1971	36-3/4	24-1/4	36-1/8	26

In the opinion of the Company's Counsel, the Company's Class A and Class B shares and all the Company's debt securities are investments in which a company registered under Part III of the Canadian and British Insurance Companies Act or an insurer authorized under Section 208 of The Corporations Act of Ontario may invest its funds without availing itself for that purpose of the provisions of subsection (4) of Section 63 of the former Act or subsection (4) of Section 208 of the latter Act.

HOME OIL COMPANY LIMITED
VOLUME OF SHARES TRADED

1971	CLASS A SHARES					CLASS B SHARES				
	Toronto	Montreal	American	Other	Total	Toronto	Montreal	American	Other	Total
January	159,263	93,797	143,800	2,889	399,749	14,677	27,909	6,000	46	48,632
February	175,621	106,025	85,200	6,875	373,721	14,223	12,086	4,600	-	30,909
March	215,487	82,125	263,100	2,764	563,476	13,093	7,173	5,000	6,057	31,323
April	276,996	104,269	224,500	3,833	609,598	37,142	8,075	8,500	118	53,835
May	187,040	55,896	132,300	4,945	380,181	9,598	10,761	4,300	60	24,719
June	153,445	73,891	88,600	3,127	319,063	18,333	13,105	14,800	26	46,264
July	96,708	47,289	47,900	2,100	193,997	9,616	9,341	3,900	-	22,857
August	127,243	54,939	95,500	1,680	279,362	15,616	11,420	3,800	50	30,886
September	100,802	53,581	37,700	3,610	195,693	9,026	7,222	2,100	-	18,348
October	93,521	26,747	39,400	1,450	161,118	7,759	4,740	2,200	-	14,699
November	110,187	56,422	42,200	6,111	214,920	5,846	5,771	6,100	-	17,717
December	119,501	47,363	52,300	2,765	221,929	9,055	2,051	3,400	-	14,506
	1,815,814	802,344	1,252,500	42,149	3,912,807	163,984	119,654	64,700	6,357	354,695

1972

January	100,895	50,565	35,800	3,835	191,095	6,770	200	6,800	20	13,790
February	123,918	36,728	38,600	2,006	201,252	12,009	1,819	1,700	-	15,528

DISTRIBUTION OF SHARES OUTSTANDING

DECEMBER 31, 1971

	Class A		Class B	
	Shareholders	Shares	Shareholders	Shares
		%		%
Canada	6,791	3,793,506	2,619	2,444,365
United States	3,892	951,994	811	114,695
United Kingdom	64	24,838	30	2,949
Other	57	14,509	13	10,896
		.3		.4
	<u>10,804</u>	<u>4,784,847</u>	<u>3,473</u>	<u>2,572,905</u>
		<u>100.0</u>		<u>100.0</u>

CAPITAL STOCK

Description of Authorized Capital

The Company was incorporated under the Companies Act (Canada) by letters patent dated September 19, 1929. The original authorized share capital was 10,000,000 shares without nominal or par value. By supplementary letters patent dated November 2, 1929, and May 11, 1953, the authorized share capital was changed to consist of 3,000,000 shares without nominal or par value to be issued for an aggregate consideration not exceeding \$20,000,000.

On December 13, 1955, supplementary letters patent were issued reclassifying the issued and outstanding shares into Class A and Class B shares and increasing the authorized number of Class A and Class B shares to 8,000,000.

On May 28, 1965, supplementary letters patent were issued increasing the authorized share capital from 4,343,873 Class A and 3,656,127 Class B shares, to 7,000,000 Class A and 5,000,000 Class B shares.

The authorized share capital of the Company consists of 7,000,000 Class A shares without nominal or par value and 5,000,000 Class B shares without nominal or par value, provided, however, that the aggregate consideration for the issue of the said 7,000,000 Class A shares without nominal or par value and the said 5,000,000 Class B shares without nominal or par value shall not exceed in amount or value the sum of \$150,000,000, or such greater amount as the Board of Directors or the Company may deem expedient and as may be authorized by the Secretary of State of Canada on payment of the requisite fees applicable to such greater amount. As at December 31, 1971, 4,784,847 of the Class A shares and 2,572,905 of the Class B shares had been issued and were outstanding as fully paid and non-assessable.

The said Class A shares and the said Class B shares shall carry and shall be subject to the following priorities, preferences, conditions, rights, privileges, restrictions and limitations, that is to say:

- (a) The holders of the Class A shares shall be entitled to receive out of the monies of the Company properly applicable to the payment of dividends, if, as and when declared by the Board of Directors, fixed, cumulative, preferential dividends at the rate of twenty-five cents per share per annum payable twelve and one-half cents half yearly on the first days of January and July in each year, commencing on the first day of July, 1956. Each such half-yearly dividend on the Class A shares shall be deemed to be a dividend for the half-yearly period ending on the dividend payment date and if not so declared and paid in and for any half-yearly period may subsequently be declared and paid.
- (b) No dividends shall be declared on either the Class A shares or the Class B shares for the period prior to the first day of January, 1956. Dividends on the Class A shares issued on or prior to the first day of January 1956, shall accrue and be cumulative from the first day of January, 1956. The dividends on the Class A shares issued after the first day of January, 1956, shall accrue and be cumulative from such date or dates as, in the case of each issue, may be determined by the Board of Directors of the Company or in case no such date be determined then from the date of allotment.
- (c) After all cumulative preferential dividends on the Class A shares have been declared and paid or set apart for payment for the current calendar year period and for all previous calendar periods, the holders of the Class B shares shall be entitled before any further dividends are declared and paid or set apart for payment on the Class A shares to receive out of the monies of the Company properly applicable to the payment of dividend, if, as and when declared by the Board of Directors, a dividend for such current calendar year period in such amount not exceeding 25¢ per share as the directors may determine, but such dividends on the Class B shares shall be non-cumulative whether earned or not, and if in any calendar year period the Board of Directors in its discretion shall not declare a dividend, or shall not declare a dividend in the full amount of twenty-five cents per share on the Class B shares, then the right of the holders of the Class B shares to such dividend or to any greater dividend than the dividend actually declared for such calendar year dividend period shall be forever extinguished.
- (d) Whenever in any calendar year period dividends aggregating 25¢ per share shall have been declared and paid or set apart for payment on all the Class A shares at the time outstanding and dividends aggregating 25¢ per share have been declared and paid or set apart for payment on all of the Class B shares at the time outstanding in accordance with the provisions of the preceding paragraphs hereof any and all further dividends in such calendar year period shall be declared and paid or set apart for payments in equal amounts per share on all the Class A shares and all the Class B shares at the time outstanding, share and share alike, without preference or priority of one share over another. For the purpose of this paragraph whenever the dividends declared and paid or set apart for payments in a year on the Class A and Class B

shares outstanding on the first day of such year shall aggregate 25¢ per share then such amount shall be deemed to have been declared and paid or set apart for payment with respect to all outstanding Class A and Class B shares, even though less than such amount may actually have been so declared and paid or set apart with respect to part of such outstanding shares due to the issuance thereof subsequent to the beginning of such year.

- (e) In the event of liquidation, dissolutions or winding-up of the Company or other distribution of its assets among the shareholders by way of return of capital or otherwise the holders of the Class A shares and the holders of the Class B shares shall be entitled to share equally in such property or assets, share and share alike, without preference or priority of one share over another.
- (f) The holders of the Class A shares shall not be entitled (except as hereinafter specifically provided) to receive notice of or to attend any meetings of the shareholders of the Company and shall not be entitled to vote at any such meetings unless and until the Company shall be in default in the payment of at least in the aggregate four half-yearly dividends (whether or not consecutive) on the Class A shares as provided in paragraph (a) hereof, whether or not such dividends have been declared and whether or not there are any monies of the Company properly applicable to the payment of the dividends. Thereafter, so long as at least four half-yearly dividends in the aggregate on the Class A shares shall remain in arrears, the holders of the Class A shares shall be entitled to receive notices of all meeting of shareholders of the Company and to attend and vote thereat. Whenever the default of the Company with respect to the payment of dividends on the Class A shares shall be for less than four half-yearly periods (whether or not consecutive) then the holders of the Class A shares shall be divested of the special voting power herein conferred by such shares, subject to the revesting of such special voting power in case of any similar future default or defaults. The divesting of such special power of the holders of the Class A shares at any time shall not in any manner affect the authority of the Board of Directors of the Company to act for its term of office. Subject to the provisions of the Companies Act, the Company, without the approval of the Class A shareholders, may create shares with prior rights to the Class A shares and may increase or reduce the number of such shares or alter any or all of the rights, preferences, priorities, conditions or restrictions attaching to or affecting such shares. The Company shall not modify, suspend, alter and/or repeal any rights, preferences, priorities, limitations, conditions or restrictions attaching to the issued Class A shares, or sub-divide or change the issued Class B shares into a greater number, or convert any Class B share into a Class A share, if, after giving effect to such conversion, more than 1,500,000 Class A shares would be outstanding, without the approval of the Class A Shareholders. The term "approval" as used in this paragraph means an affirmative vote of at least two-thirds of the votes cast by the holders of the Class A shares at a special meeting of the holders of the Class A shares of the Company at which the holders of at least 25% of the outstanding Class A shares are present or represented by proxy. Save and except as provided in this paragraph, or as otherwise provided by law, the holders of the Class B shares shall have sole and exclusive voting rights for all purposes.

Shares Reserved for Warrants, Options and Conversion Privileges

1. In 1961, the purchasers of the 6-1/8% Secured Bonds were issued warrants to purchase 70,000 Class A shares at \$16 (U.S.) exercisable to July 1, 1976. The stock dividend of July 1, 1963 required an adjustment to both the price and number of the shares. Effective January 1, 1971 the term of the warrants was extended to April 30, 1980. At December 31, 1971 the bearers of the warrants were entitled to purchase a total of 76,975 Class A shares at \$14.55 (U.S.) per share.
2. In 1964 the purchasers of United Oils, Limited 6-1/8% Secured Bonds were issued warrants to purchase 32,990 Class A shares at \$17.66 (U.S.) exercisable to July 1, 1976. These warrants replace warrants issued by United Oils, Limited to purchase Class A shares of the Company owned by United. Effective January 1, 1971, the term of the warrants was extended to April 30, 1980.
3. At December 31, 1971, there were options held by employees to purchase 20,847 Class A shares at a price of \$20 per share.

Preferred Shares

On May 28, 1968, supplementary letters patent were issued authorizing the creation of 1,000,000 preferred shares with a par value of \$50 each. The Board of Directors have authority to issue the preferred shares in series from time to time and to fix for each series the designation, rights, restrictions, conditions, limitations and prohibitions thereof, including dividend rights, voting rights, conversion rights, redemption provisions and sinking fund provisions.

The preferred shares of each series shall be entitled to priority in the payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Company over the Class A shares and Class B shares. The preferred shares shall not have any pre-emptive rights except as may be specifically set forth in the provisions attaching to any series. The preferred shares issued for the consideration fixed by the Board of Directors, provided it is not less than \$50.00 per share, shall not be liable for further call or assessment. There are no restrictions on the purchase or redemption of preferred shares while there is an arrearage in the payment of dividends on the preferred shares, but the resolution creating a series may impose such restrictions.

These shares were created to provide greater flexibility in the event it should become desirable in the future to increase the outstanding equity capitalization of the Company or to issue preferred shares on the purchase or acquisition of other companies.

As at December 31, 1971 none of these preferred shares had been issued.

6-1/2% SECURED BONDS

Date of Issue	January 1, 1960
Maturity	January 31, 1975
Amount Issued	\$10,000,000 (U.S.)
Outstanding, December 31, 1971	\$ 2,900,000 (U.S.)
Interest	Payable monthly in United States currency at the principal office of the Canadian Bank of Commerce Trust Company in the City of New York.
Trustee	National Trust Company, Limited

Denominations

Issuable as fully registered bonds in denominations of \$100,000 or authorized multiples thereof.

Security

Direct obligations of the Company and are secured by a first charge on certain producing properties in the Carstairs gas field. If the amount of security fails to meet certain requirements the Company must pledge additional reserves or retire additional bonds so that such requirements will be met. The Trust Deed also contains restrictions on the creation of additional indebtedness and the payment of dividends.

Redemption

Redeemable at the option of the Company in whole or in part at any time prior to maturity on not less than 30 days notice upon payment of the principal amount, interest accrued to the redemption date, plus a premium of 1.7% if redeemed on or before January 31, 1973 decreasing by .80 of 1% thereafter each year until January 31, 1974 and with no premium in the final year.

Repayment

Principal and interest are repaid monthly from a portion of the proceeds of production from the pledged properties.

The Trust Deed specifies minimum amounts which must be retired and also specifies the maximum amounts which can be retired unless the holders of 50% of the principal amount of the Bonds otherwise approve.

The cumulative minimum amounts that the Company is required to pay on or before February 1, in each year on account of principal on the outstanding bonds is set out in the following table. The annual maximum amounts which may be paid in each year are also shown.

Year	Minimum Cumulative Aggregate Payments on Principal	Maximum Annual Payment on Principal
1972	\$ 5,760,000	\$ 1,000,000
1973	6,590,000	1,050,000
1974	7,490,000	1,150,000

9.45% SECURED BONDS, SERIES A

Date of Issue	July 13, 1961
Maturity	September 30, 1973
Amount Issued	\$14,000,000 (U.S.)
Outstanding December 31, 1971	\$ 1,727,000 (U.S.)
Interest	Payable monthly in U.S. currency at the principal office of the Canadian Bank of Commerce Trust Company in the City of New York.
Trustee	National Trust Company, Limited

Denominations

Fully registered in such denominations as may be authorized by the Company.

Security

Direct obligations of the Company and are secured by a first charge on certain producing properties in the Swan Hills area.

Repayment

Effective January 1, 1971, the terms were renegotiated, with a compensating increase in interest rate, whereby fixed annual payments applied monthly on principal and interest are substituted for previous repayment calculations based on production from the pledged properties. Annual reductions in principal as follows:

Year

1972	\$ 978,000
1973	749,000

Offered

Private sale in 1961 to two United States institutional investors.

8.20% SECURED BONDS, SERIES B

Date of Issue	January 28, 1966
Maturity	April 30, 1980
Amount Issued	\$20,000,000 (U.S.)
Outstanding December 31, 1971	\$17,404,000 (U.S.)
Interest	Payable monthly in U.S. currency at the principal office of the Canadian Bank of Commerce Trust Company in the City of New York.
Trustee	National Trust Company, Limited

Denomination

Fully registered in such denominations as may be authorized by the Company.

Security

Direct obligations of the Company and are secured by a first charge on certain producing properties in the Swan Hills and Inverness areas.

Repayment

Effective January 1, 1971, the terms were renegotiated, with a compensating increase in interest rate, whereby fixed annual payments applied monthly on principal and interest are substituted for previous repayment calculations based on production from the pledged properties. Annual reductions in principal as follows:

1972	\$ 346,000
1973	977,000
1974	1,943,000
1975	2,244,000
1976	2,435,000
1977	2,642,000
1978	2,847,000
1979	3,089,000
1980	881,000

Offered

Private sales to two United States Institutional investors.

6-7/8% SECURED BONDS

Date of Issue	December 1, 1967
Maturity	January 1, 1983
Amount Issued	\$7,000,000 (U.S.)
Outstanding December 31, 1971	\$5,847,000 (U.S.)
Interest	Payable monthly in U.S. currency at the principal office of the Canadian Bank of Commerce Trust Company in the City of New York.
Trustee	National Trust Company, Limited

Denomination

Fully registered in such denominations as may be authorized by the Company.

Security

Direct obligations of the Company and are secured by a first charge on certain producing properties in the Crossfield, Nevis and Sarcee areas. If the amount of security fails to meet certain requirements, the company must pledge additional security or retire additional bonds until such requirements are met.

Redemption

Redeemable at the option of the company in whole or in part at any time prior to maturity upon payment of the principal amount, interest accrued to the redemption date plus a premium of 6.875% if redeemed on or before January 1, 1973 decreasing by .6875% per annum thereafter until January 1, 1982 and with no premium in the final year.

Repayment

Principal repaid monthly, commencing December 29, 1969, from a portion of the proceeds of production from the pledged properties. The Company is required to pay on or before February 1 in each year the respective cumulative amounts on account of principal on the outstanding Bonds set out opposite each year in the following table.

Year	Cumulative Aggregate Payments on Principal
1972	\$ 700,000
1973	1,125,000
1974	1,575,000
1975	2,050,000
1976	2,600,000
1977	3,150,000
1978	3,950,000
1979	4,400,000
1980	5,050,000
1981	5,700,000
1982	6,350,000

Offered

Private sale in 1967 to two United States institutional investors.

6-1/4% COLLATERAL TRUST BONDS

Date of Issue	November 7, 1963
Maturity	April 1, 1983
Amount Issued	\$15,000,000 (CDN.)
Outstanding December 31, 1971	\$12,000,000 (CDN.)
Interest	Payable half yearly on April 1, and September 1, in Canadian funds at any branch of the Canadian Imperial Bank of Commerce.
Trustee	The Royal Trust Company.

Denomination

Fully registered bonds in denominations of \$1,000 or any multiple of \$1,000 which may be authorized by the Company.

Security

A fixed and specific mortgage and charge upon common shares of the capital stock of TransCanada PipeLines Limited, convertible securities of TransCanada PipeLines Limited, Approved Obligations, and cash, having initially a value of 150% of the principal amount of the Collateral Trust Bonds outstanding. The value of the TransCanada securities so pledged is determined by the market value as at that date. The Trust Indenture provides that the Trustee must on January 15th, April 15th, July 15th and October 15th, in each year determine the value of the securities pledged. Should the value of the securities pledged be less than 125% of the principal amount of the bonds outstanding the Company must pledge additional securities. Should the value of the securities be greater than 175% of the principal amount of the bonds outstanding, the Company is entitled to withdraw sufficient security to reduce the amount to 175% of the bonds outstanding.

Redemption

Redeemable at the option of the Company in whole or in part at any time prior to maturity upon payment of the principal amount, interest accrued to the redemption date plus a premium of 3.45% if redeemed on or before April 1, 1973 decreasing by .35 of 1% per annum thereafter until April 1, 1982 and without premium after April 1, 1982.

Sinking Fund

Redeemable through the operation of sinking fund at 100 with accrued interest. The Company is required to pay \$1,000,000 annually on March 31, in the years 1969 to 1982 inclusive. Upon notice the Company has the right commencing on March 31, 1975 to make five optional sinking fund payments not exceeding \$500,000 per payment and such payment need not be consecutive.

Offered

Sold publicly in November 1963 to institutional investors in Canada and the United States.

6-3/4% MORTGAGE

Secured by the Company's head office building in Calgary, Alberta. Repayable in monthly instalments of \$7,636 to January 1, 1978. As at December 31, 1971 the balance outstanding was \$757,000 (CDN.)

BANK PRODUCTION LOAN

Date of Issue	October 1, 1970
Maturity	October 1, 1976
Amount Issued	\$10,000,000 (CDN.)
Outstanding December 31, 1971	\$ 8,333,000 (CDN.)
Interest	1/4 of 1% over prevailing prime bank rate
Security	Demand note of the Company secured by a first charge on oil producing properties in the Virginia Hills and Mitsue areas.
Repayment	Repayable in twenty four equal quarterly installments of \$416,667.

5-1/2% CONVERTIBLE SUBORDINATED DEBENTURES

Date of Issue	February 1, 1972
Maturity	February 1, 1992
Amount Issued	\$25,000,000 (CDN.)
Interest	Payable semi-annually in Canadian currency by the Trustee.
Trustee	Montreal Trust Company.

Denominations

Issued as fully registered and coupon form in denominations of \$1,000 or authorized multiples thereof.

Security

Unsecured

Provisions

Convertible at any time after February 15, 1972 and up to the close of business on February 1, 1992 into Class A shares of the Company at a conversion rate of \$38.00 per share, being at an approximate rate of 26.32 Class A shares per \$1,000 Debenture.

Redemption

Debentures will not be redeemable on or before February 1, 1977 unless the weighted average price at which the Class A shares have traded on the Toronto Stock Exchange during the 20 trading days ended on the fifth day preceeding the date of notice is given was not less than 120% of the conversion price in effect. Subject to the foregoing the Debentures may be redeemed at 105.50% of the principal amount during the year ended February 1, 1973, reducing by .30% per year thereafter.

Sinking Fund

The Debentures are redeemable through the operation of a sinking fund, beginning on February 1, 1982 at the principal amount thereof together with accrued and unpaid interest. The indenture requires the Company on February 1, 1982, and annually on February 1, thereafter, to and including 1991 to retire a minimum of 5% and, at the company's election, up to a maximum of 10% of the aggregate principal amount of Debentures outstanding on February 1, 1981. The right to redeem Debentures in excess of minimum sinking fund requirements is non-cumulative. The Company may apply the principal amount of any debentures acquired by it through purchase, redemption or conversion after February 1, 1981 against the sinking fund payments.

Offered

Sold publicly in Canada.

**9.35% SECURED BONDS, SERIES A
OF UNITED OILS, LIMITED**

Date of Issue	July 13, 1961
Maturity	November 30, 1973
Amount Issued	\$6,000,000 (U.S.)
Outstanding December 31, 1971	\$ 726,000 (U.S.)
Interest	Payable monthly in U.S. currency at the principal office of the Canadian Bank of Commerce Trust Company in the City of New York.
Trustee	National Trust Company, Limited

Denominations

Fully registered in such denominations as may be authorized by the Company.

Security

Direct obligations of the Company and are secured by a first charge on certain producing properties in the Swan Hills, Virginia Hills and Pembina areas.

Repayment

Effective January 1, 1971, the terms were renegotiated, with a compensating increase in interest rate, whereby fixed annual payments applied monthly on principal and interest are substituted for previous repayment calculations based on production from the pledged properties. Annual reductions in principal as follows:

1972	\$ 378,000
1973	\$ 349,000

Offered

Private sale in 1961 to two United States institutional investors.
Guaranteed by Home Oil Company Limited.

**8.10% SECURED BONDS, SERIES B
OF UNITED OILS, LIMITED**

Date of Issue	December 28, 1965
Maturity	March 31, 1980
Amount Issued	\$5,000,000 (U.S.)
Outstanding December 31, 1971	\$4,377,000 (U.S.)
Interest	Payable monthly in U.S. currency at the principal office of the Canadian Bank of Commerce Trust Company in the City of New York.
Trustee	National Trust Company, Limited

Denominations

Fully registered in such denominations as may be authorized by the Company.

Security

Direct obligations of the Company and are secured by a first charge on certain producing properties in the Virginia Hills, Swan Hills, Inverness and Pembina areas.

Repayment

Effective January 1, 1971, the terms were renegotiated, with a compensating increase in interest rate, whereby fixed annual payments applied monthly on principal and interest are substituted for previous repayment calculations based on production from the pledged properties. Annual reductions in principal as follows:

1972	\$ 182,000
1973	281,000
1974	517,000
1975	571,000
1976	603,000
1977	643,000
1978	677,000
1979	718,000
1980	185,000

Offered

Private sale to a United States institutional investor.
Guaranteed by the Company.

APPENDIX IV

CHARTS AND GRAPHS

GROSS REVENUE

EARNINGS PER SHARE

SHAREHOLDERS EQUITY PER SHARE

EXPLORATION EXPENDITURES

DEVELOPMENT EXPENDITURES

PRODUCTION OF CRUDE OIL AND NATURAL GAS LIQUIDS

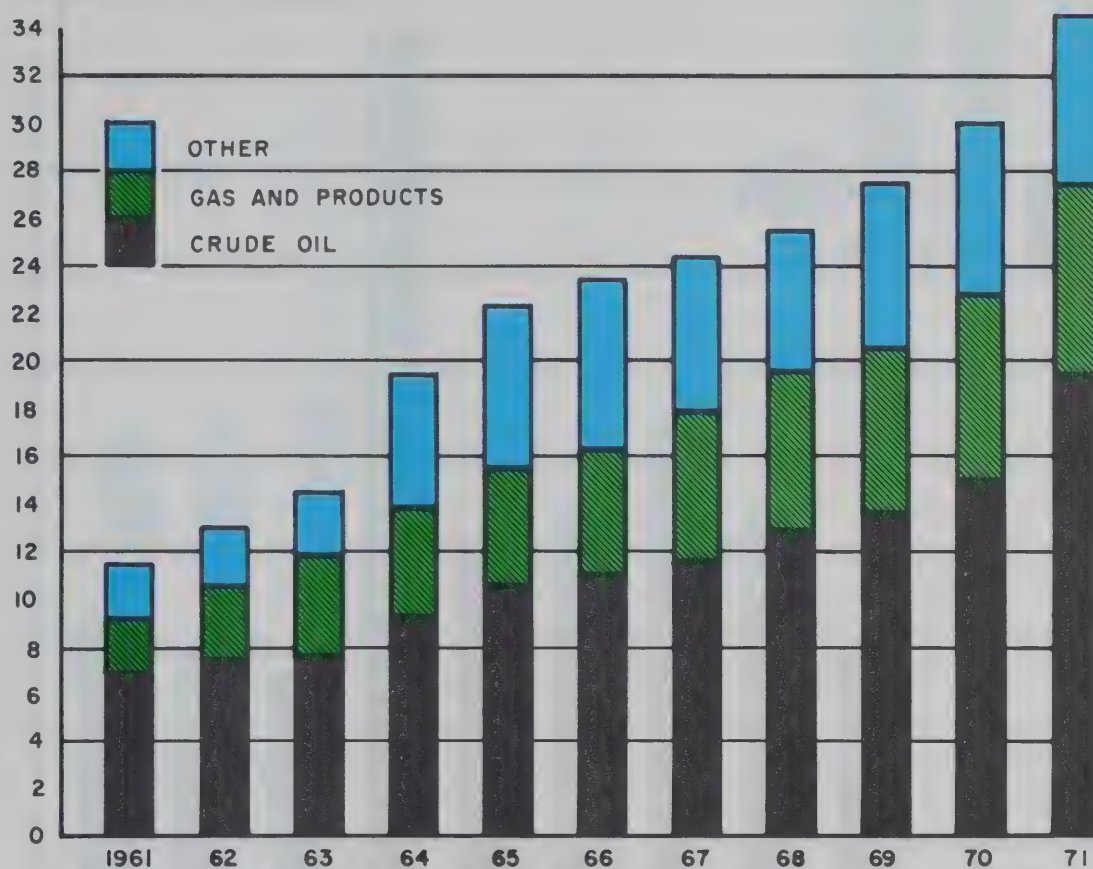
NATURAL GAS SALES

RESERVES – CRUDE OIL AND NATURAL GAS LIQUIDS

RESERVES – NATURAL GAS

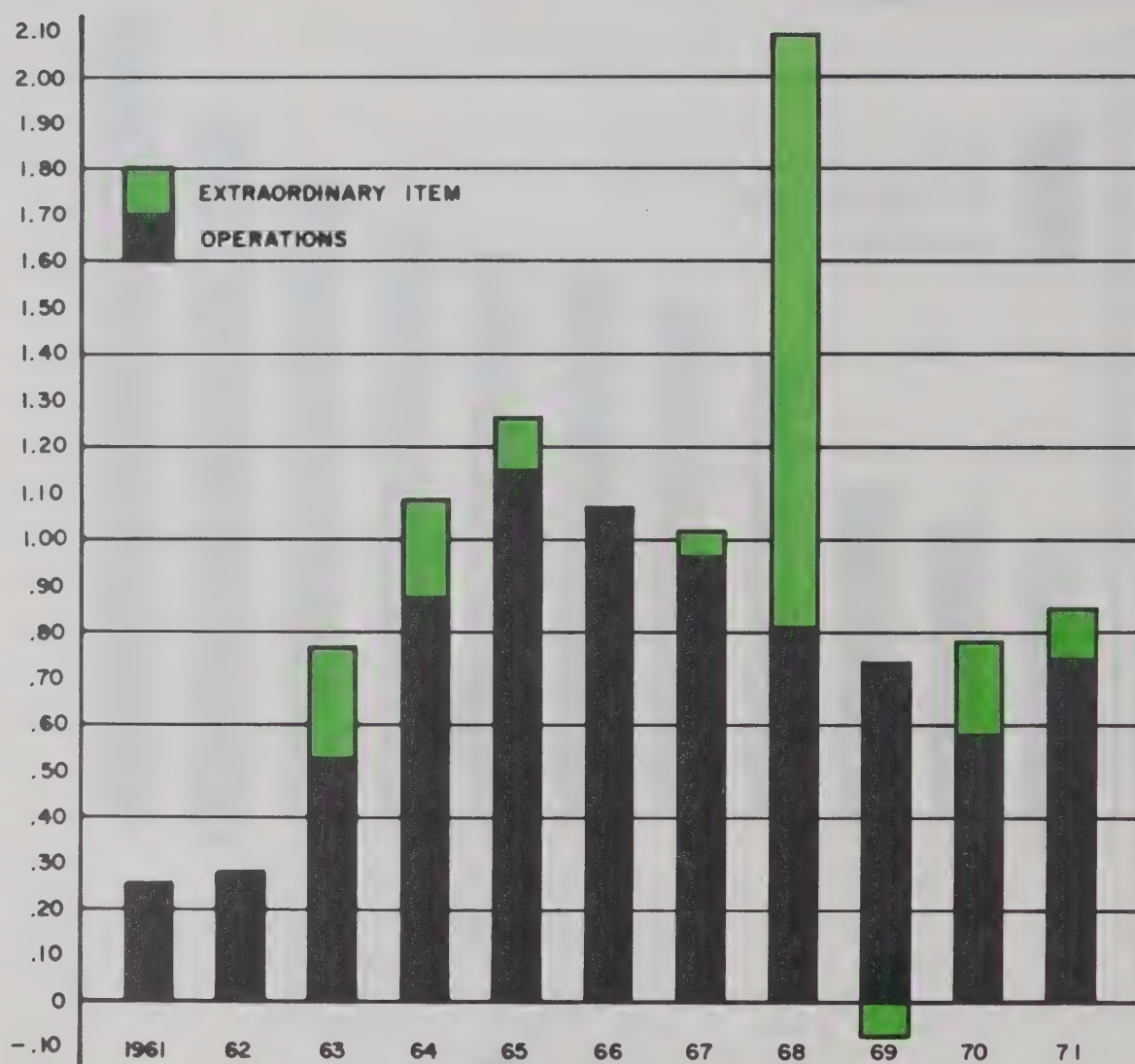
GROSS REVENUE

Millions of Dollars



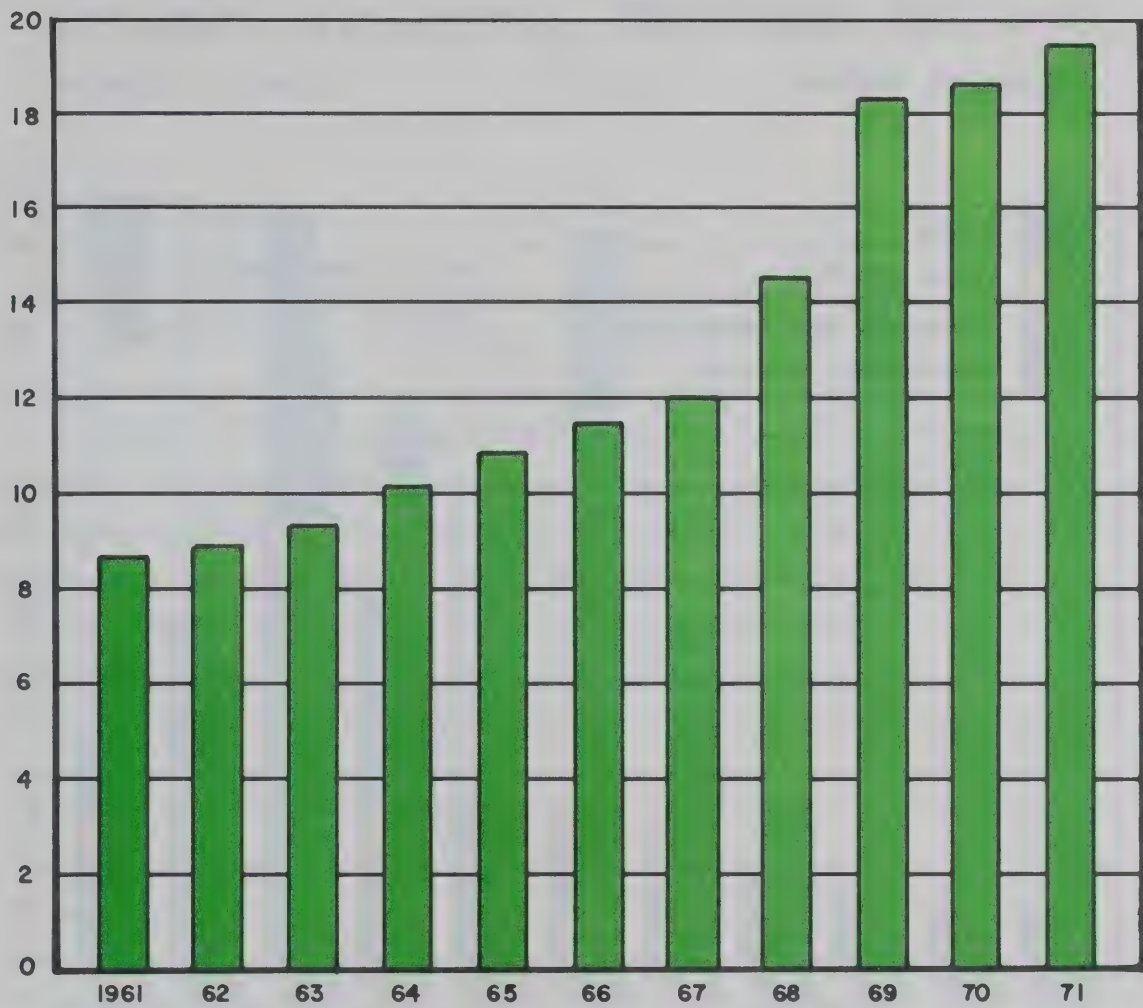
Year	Crude Oil	Gas and Products	Other	Total
1961	\$ 6.860	\$2.297	\$2.390	\$11.547
1962	7.472	3.153	2.407	13.032
1963	7.626	4.300	2.546	14.472
1964	9.381	4.520	5.537	19.438
1965	10.436	4.979	6.660	22.075
1966	10.960	5.205	7.245	23.410
1967	11.668	6.250	6.174	24.092
1968	12.768	6.910	5.594	25.272
1969	13.596	6.710	7.403	27.709
1970	15.191	7.512	7.305	30.008
1971	19.406	8.105	6.741	34.252

EARNINGS PER SHARE



Year	Operations	Extraordinary Item	Total
1961	\$0.26	\$ -	\$0.26
1962	0.28	-	0.28
1963	0.52	0.24	0.76
1964	0.87	0.21	1.08
1965	1.15	0.11	1.26
1966	1.07	-	1.07
1967	0.96	0.05	1.01
1968	0.81	1.18	2.09
1969	0.73	(0.07)	0.66
1970	0.58	0.20	0.78
1971	0.73	0.12	0.85

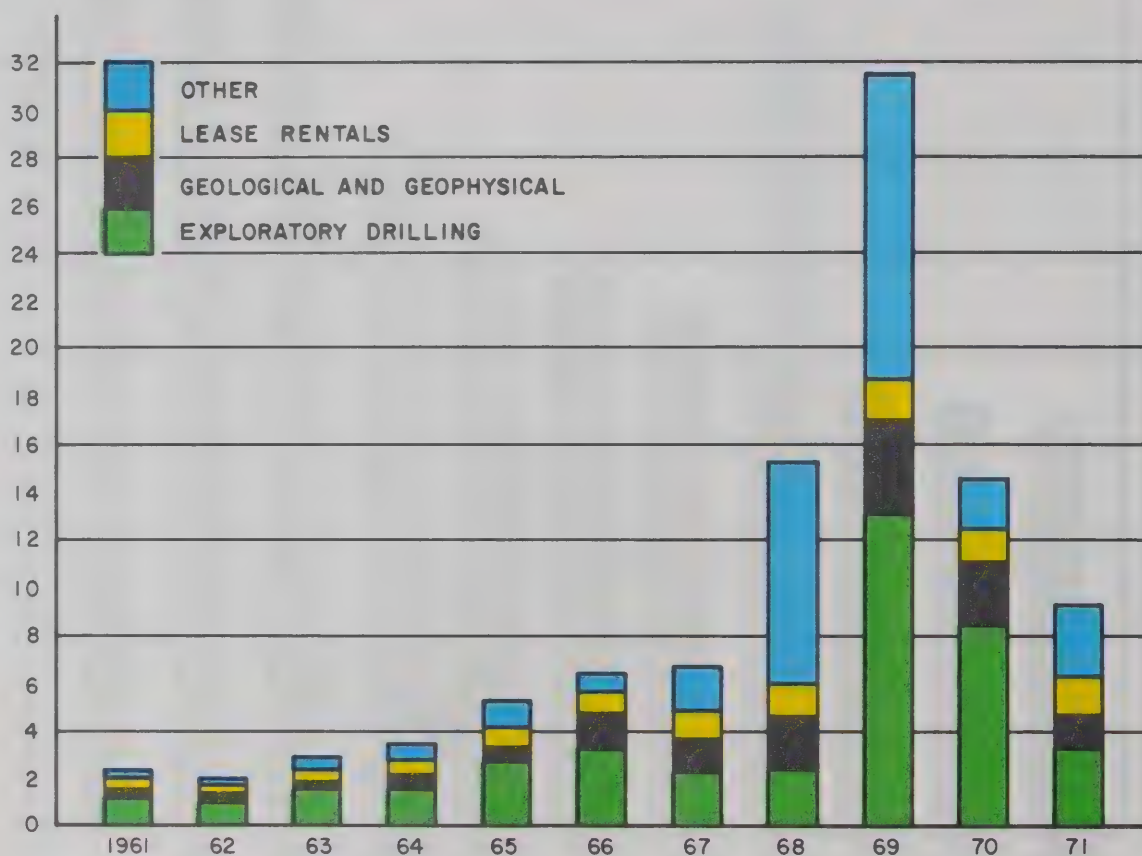
SHAREHOLDERS EQUITY PER SHARE



Year	Per Share
1961	\$ 8.67
1962	8.84
1963	9.31
1964	10.07
1965	10.79
1966	11.40
1967	11.98
1968	14.50
1969	18.33
1970	18.61
1971	19.49

EXPLORATION EXPENDITURES

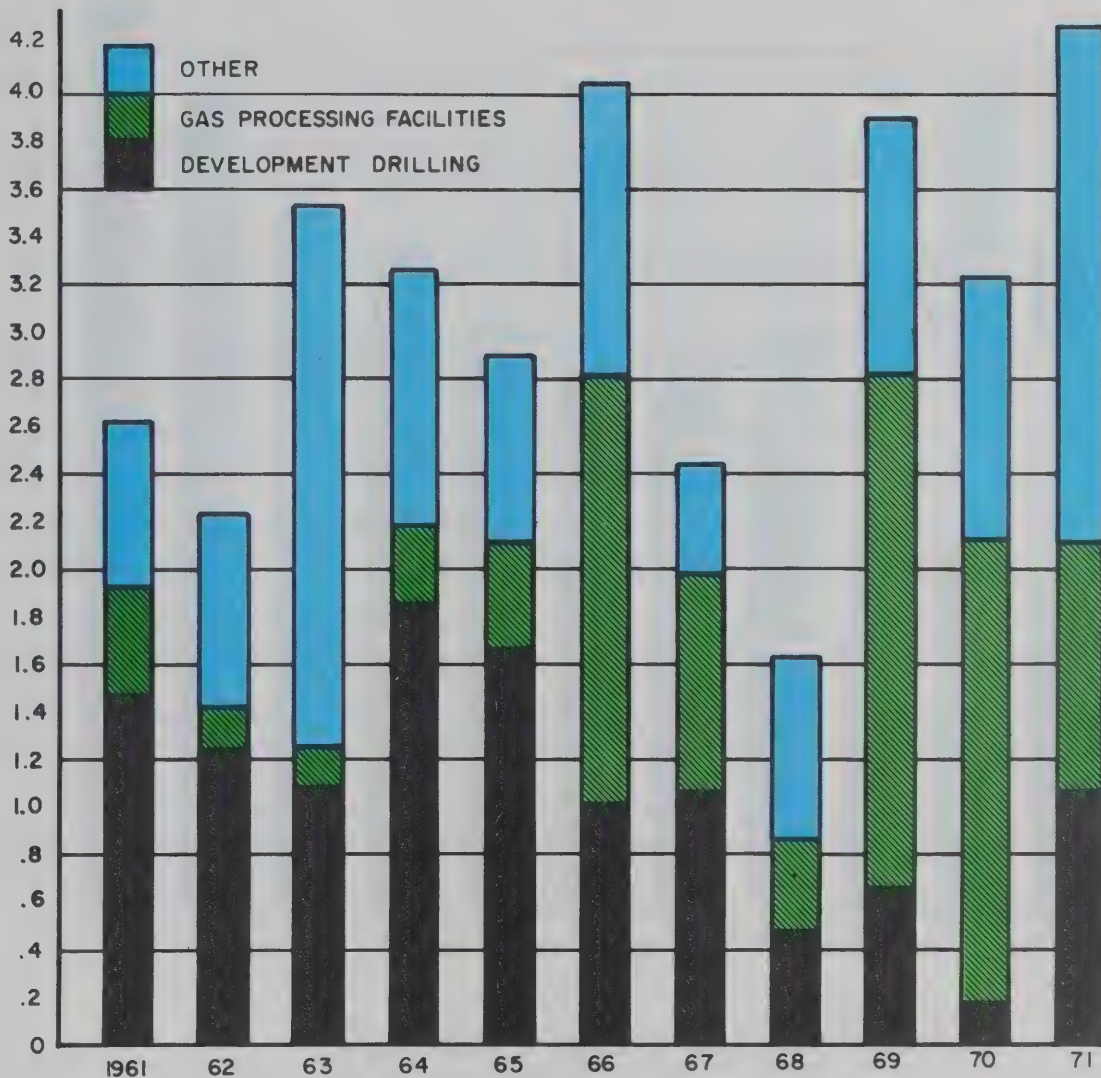
Millions of Dollars



Year	Exploration Drilling	Geological & Geophysical	Lease Rentals	Other	Total
1961	\$ 1.220	\$.154	\$.635	\$.156	\$ 2.165
1962	1.207	.064	.578	.196	2.045
1963	1.615	.208	.472	.638	2.933
1964	1.717	.475	.583	.720	3.495
1965	2.835	.457	.846	1.158	5.296
1966	3.457	1.225	.938	.767	6.387
1967	2.308	1.218	1.215	1.856	6.597
1968	2.553	1.930	1.345	9.454	15.282
1969	13.235	3.741	1.673	12.915	31.564
1970	8.452	2.641	1.267	2.165	14.525
1971	3.296	1.559	1.315	3.024	9.194

DEVELOPMENT EXPENDITURES

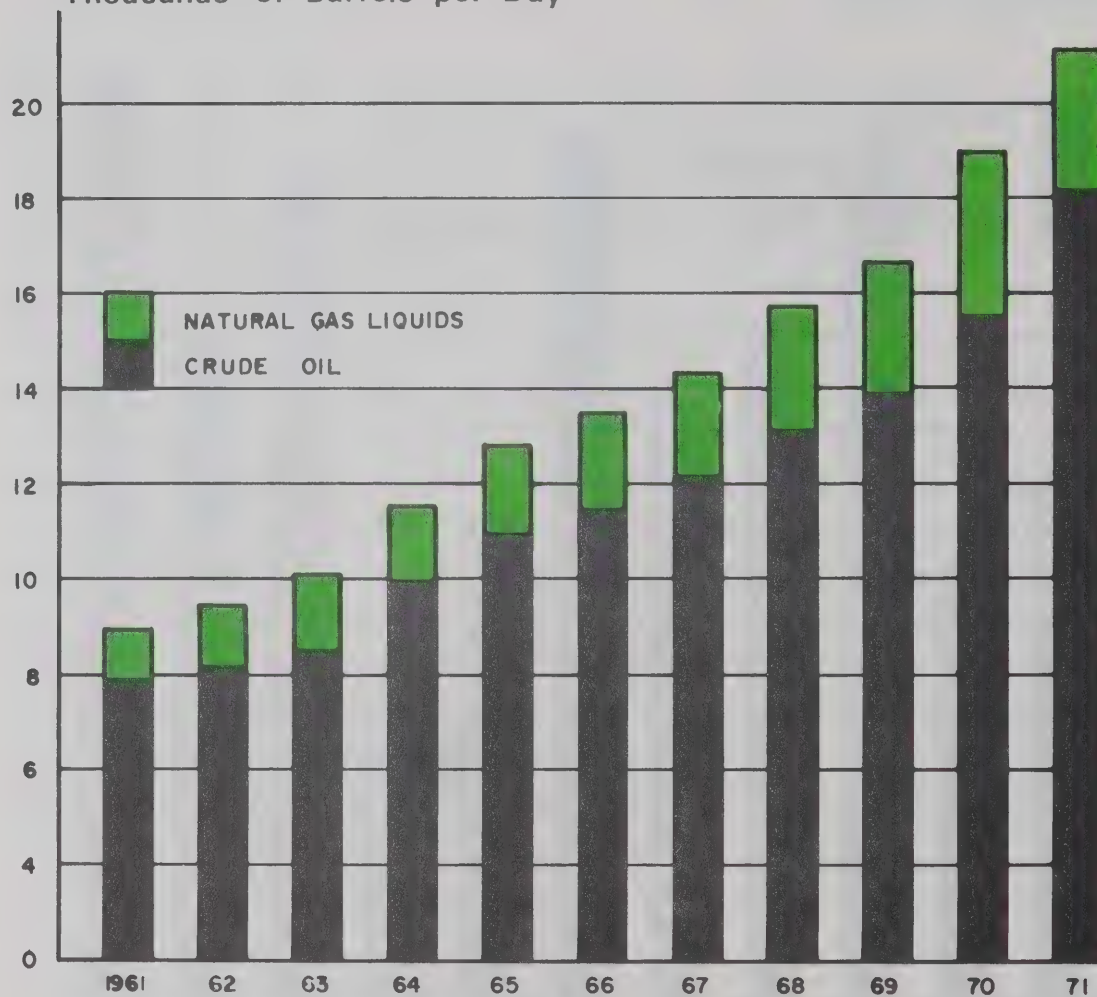
Millions of Dollars



Year	Development Drilling	Gas Prod. Facil.	Other	Total
1961	\$1.142	\$.449	\$.707	\$2.618
1962	1.236	.176	.814	2.226
1963	1.084	.143	2.301	3.528
1964	1.859	.316	1.084	3.259
1965	1.658	.456	.762	2.876
1966	1.004	1.798	1.230	4.032
1967	1.061	.921	.452	2.434
1968	.473	.357	.791	1.621
1969	.668	2.134	1.085	3.887
1970	.187	1.992	1.074	3.253
1971	1.059	1.050	2.156	4.265

PRODUCTION of CRUDE OIL and NATURAL GAS LIQUIDS

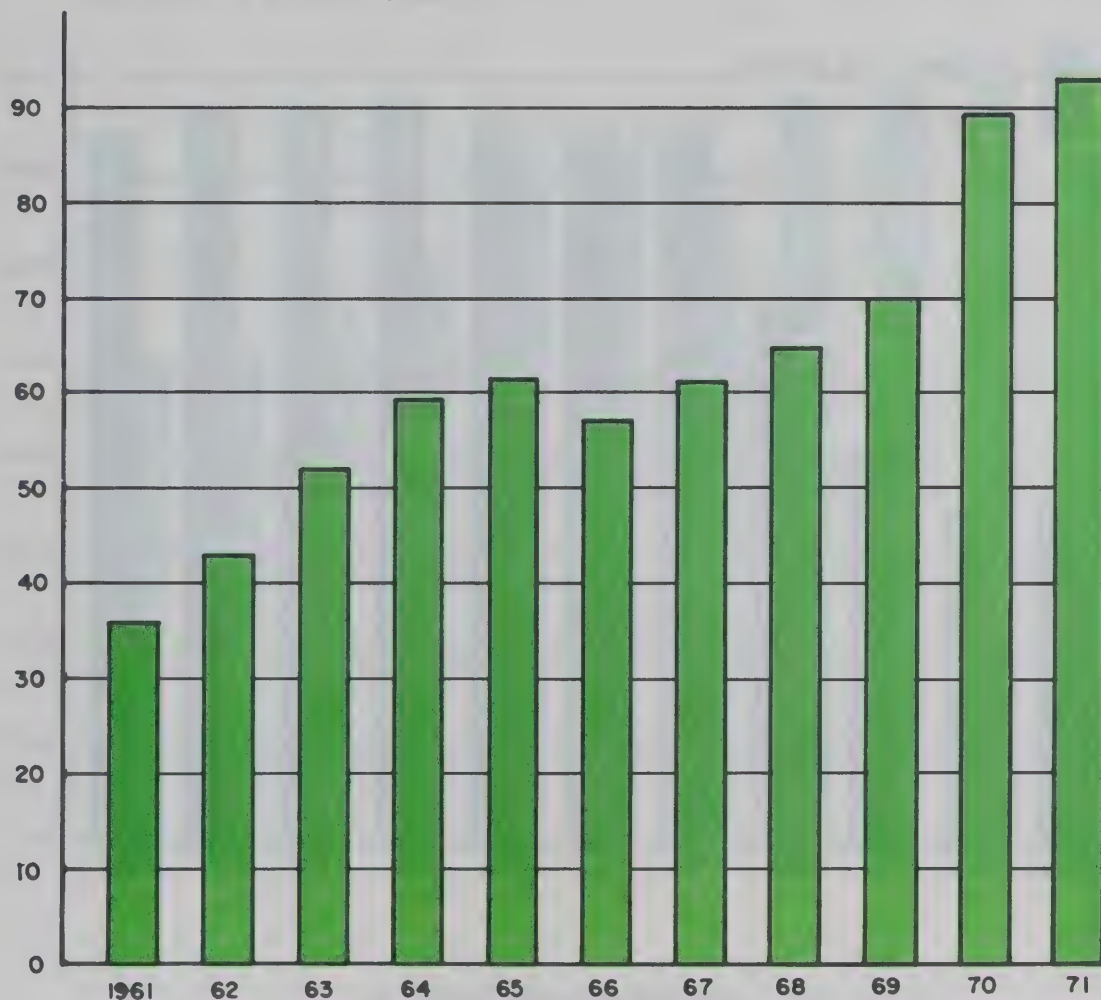
Thousands of Barrels per Day



Year	Crude Oil	Liquids	Barrels Per Day
1961	7,991	917	8,908
1962	8,101	1,301	9,402
1963	8,427	1,615	10,042
1964	9,906	1,717	11,623
1965	10,963	1,846	12,809
1966	11,451	1,949	13,400
1967	12,104	2,176	14,280
1968	13,118	2,639	15,757
1969	13,898	2,768	16,666
1970	15,503	3,491	18,994
1971	18,056	3,079	21,135

NATURAL GAS SALES

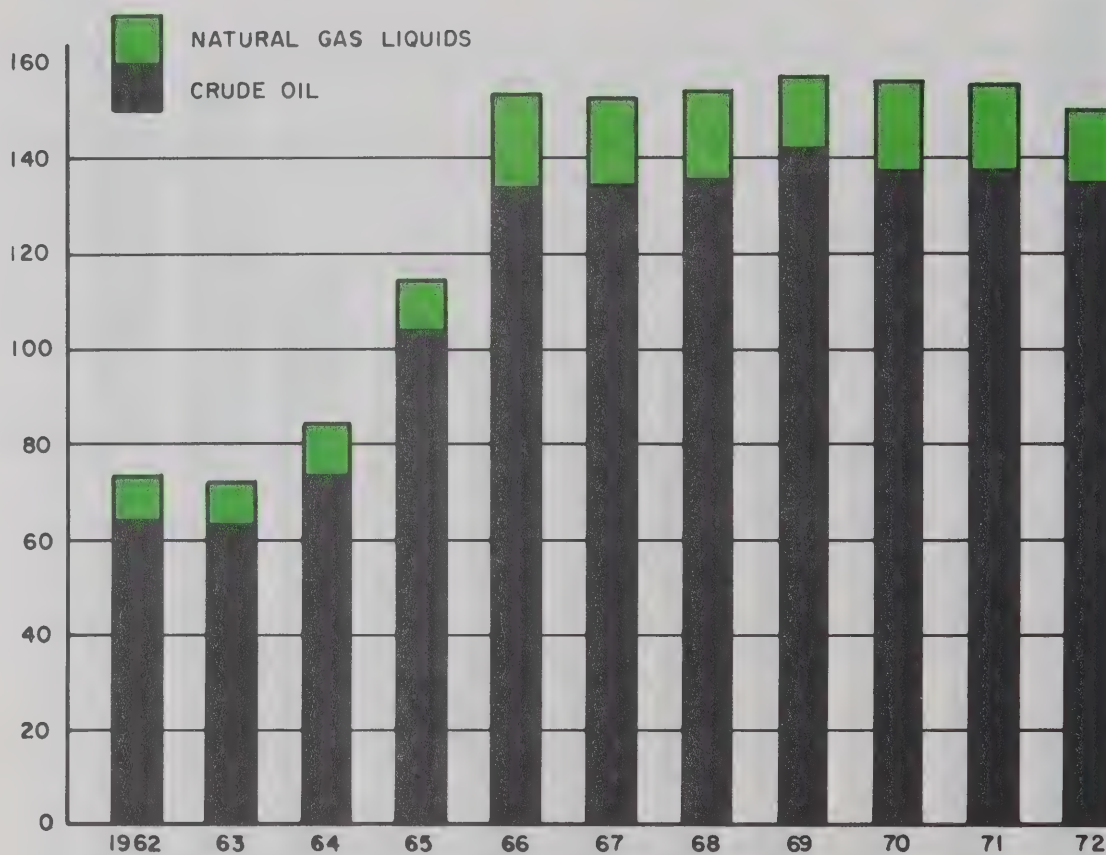
Cubic Feet per Day Millions of



Year	MMCF/Day
1961	36.073
1962	43.136
1963	52.497
1964	59.269
1965	61.823
1966	56.770
1967	61.033
1968	64.641
1969	69.945
1970	89.247
1971	92.879

RESERVES — PROVEN DEVELOPED CRUDE OIL and NATURAL GAS LIQUIDS

Millions of Barrels

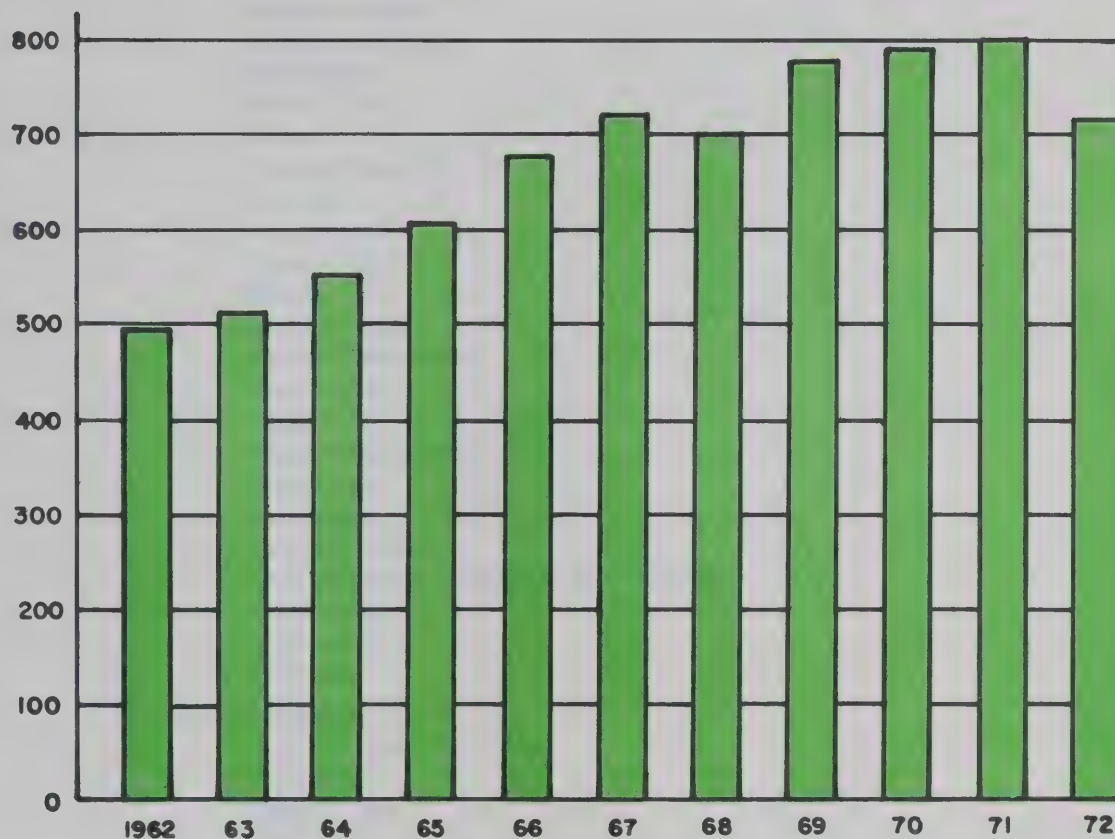


January 1	Crude Oil	Liquids	Total
1962	63.328	9.868	73.196
1963	62.077	9.648	71.725
1964	73.309	11.110	84.419
1965	102.857	12.080	114.937
1966	133.584	18.905	152.489
1967	133.972	17.654	151.625
1968	135.152	17.733	152.885
1969	140.219	16.704	156.923
1970	137.711	17.875	155.586
1971	138.068	16.889	154.957
1972	133.490	16.209	149.699

RESERVES — PROVEN DEVELOPED

Natural Gas

Billions of Cubic Feet



January 1	BCF's
1962	497.713
1963	506.660
1964	555.300
1965	601.833
1966	677.001
1967	721.606
1968	698.697
1969	779.859
1970	788.258
1971	800.233
1972	710.767

APPENDIX V
MAP SHOWING HOME OIL ACREAGE

ALBERTA

Province of Alberta & Northeast British Columbia
Alhambra-Ferrier
Athabasca Tar Sands
Beaverlodge
Bistcho Lake
Brazeau
Carstairs-Crossfield
Cremona
Dunvegan
Grande Cache
Joarcam
Jumping Pound
Manyberries-Craigower
Mitsue-Sylvia
Obed West
Pekisko-Turner Valley
Quirk Creek
Ram River
Smith-Marten Hills
Swan Hills-Morse River-House Mtn.-Inverness
Turner Valley
Virginia Hills
Whitecourt

BRITISH COLUMBIA

Northeast British Columbia
Cache Creek
Dawson Creek
Liard River
Petitot River
Pocketknife

SASKATCHEWAN

Province of Saskatchewan
Estevan-Bromhead

YUKON - NORTHWEST TERRITORIES

MacKenzie Delta Area

ARCTIC ISLANDS

Ellef Ringnes Island

HUDSON BAY

ALASKA

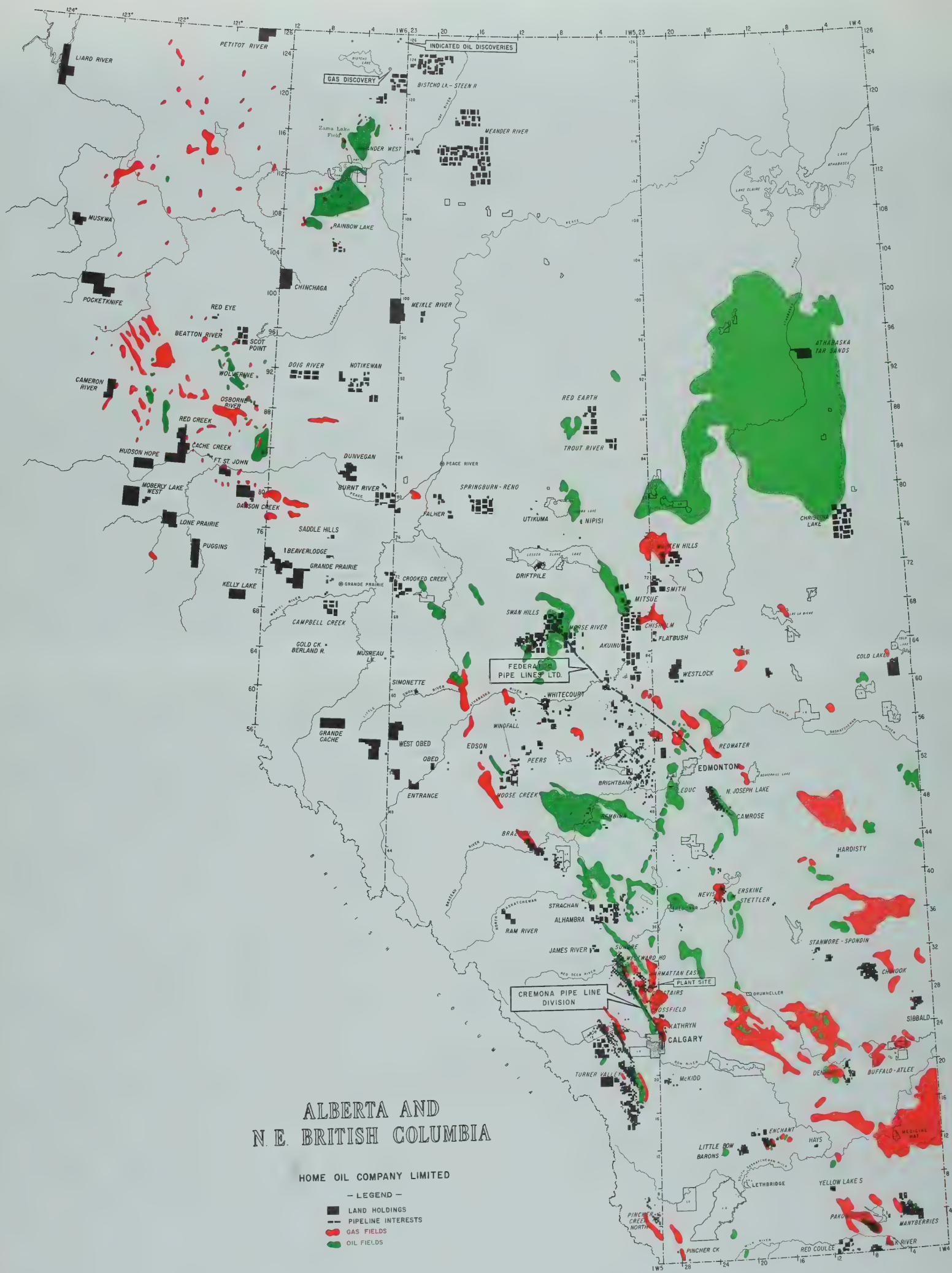
Arctic Slope Area

UNITED KINGDOM

North Sea
Yorkshire

MEDITERRANEAN

Malta
Italy

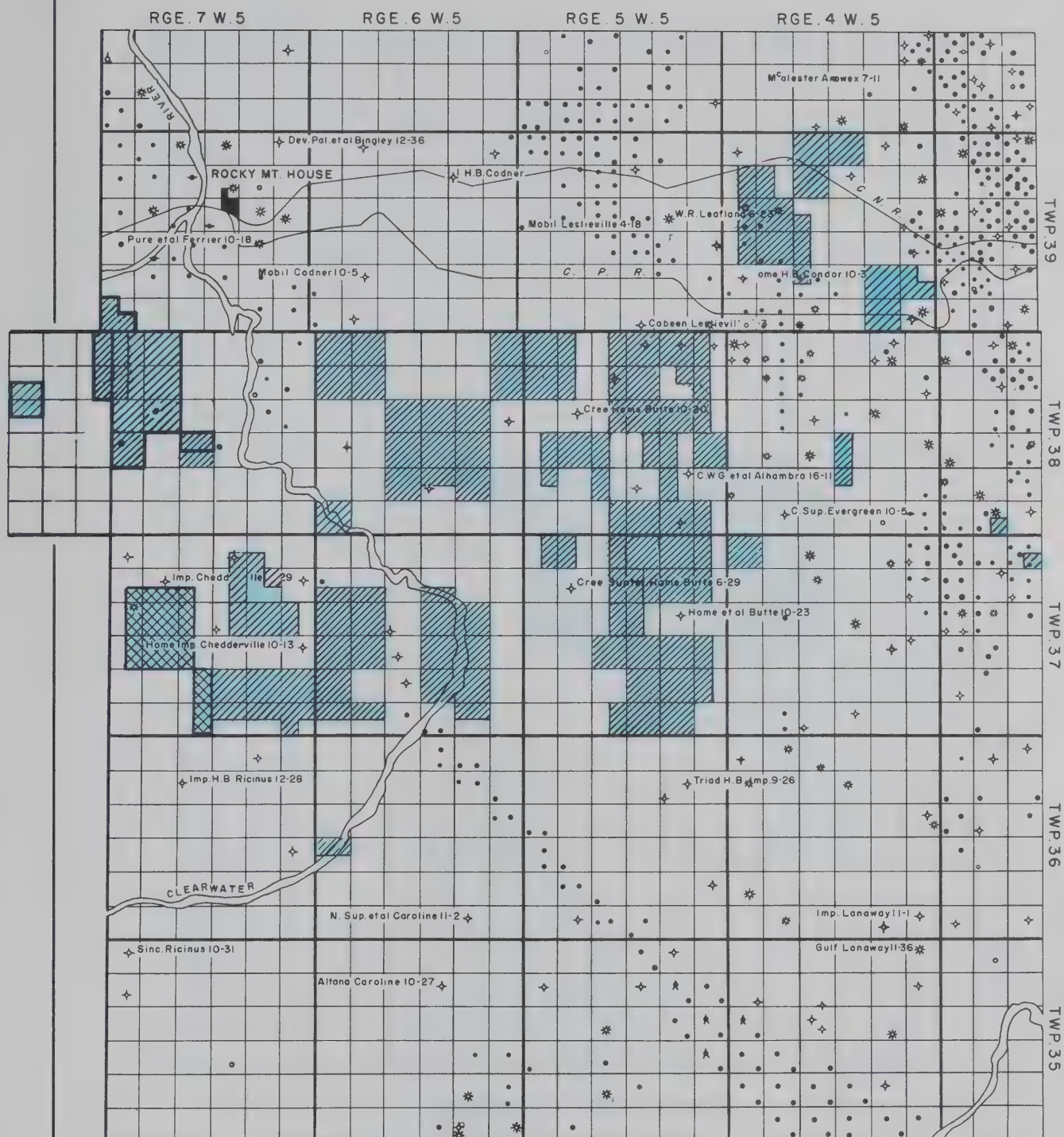


ALBERTA AND N.E. BRITISH COLUMBIA

HOME OIL COMPANY LIMITED

— LEGEND —

- LAND HOLDINGS
- PIPELINE INTERESTS
- GAS FIELDS
- OIL FIELDS



ALHAMBRA - FERRIER AREAS ALBERTA

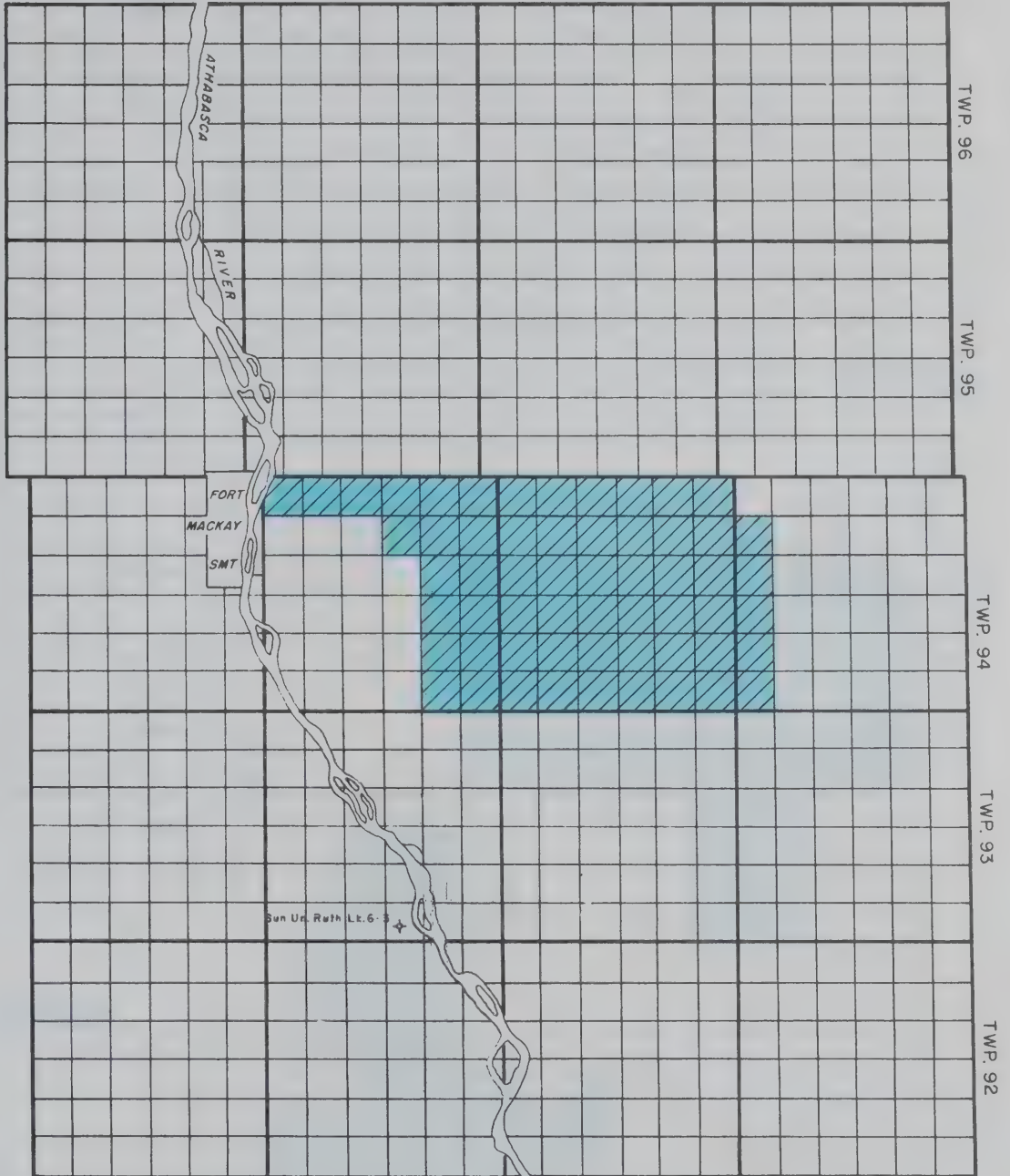
ATHABASCA TAR SANDS

RGE. 11 W. 4

RGE. 10 W. 4

RGE. 9 W. 4

RGE. 8 W. 4



ATHABASCA TAR SANDS

Bituminous Sand Lease No. 30



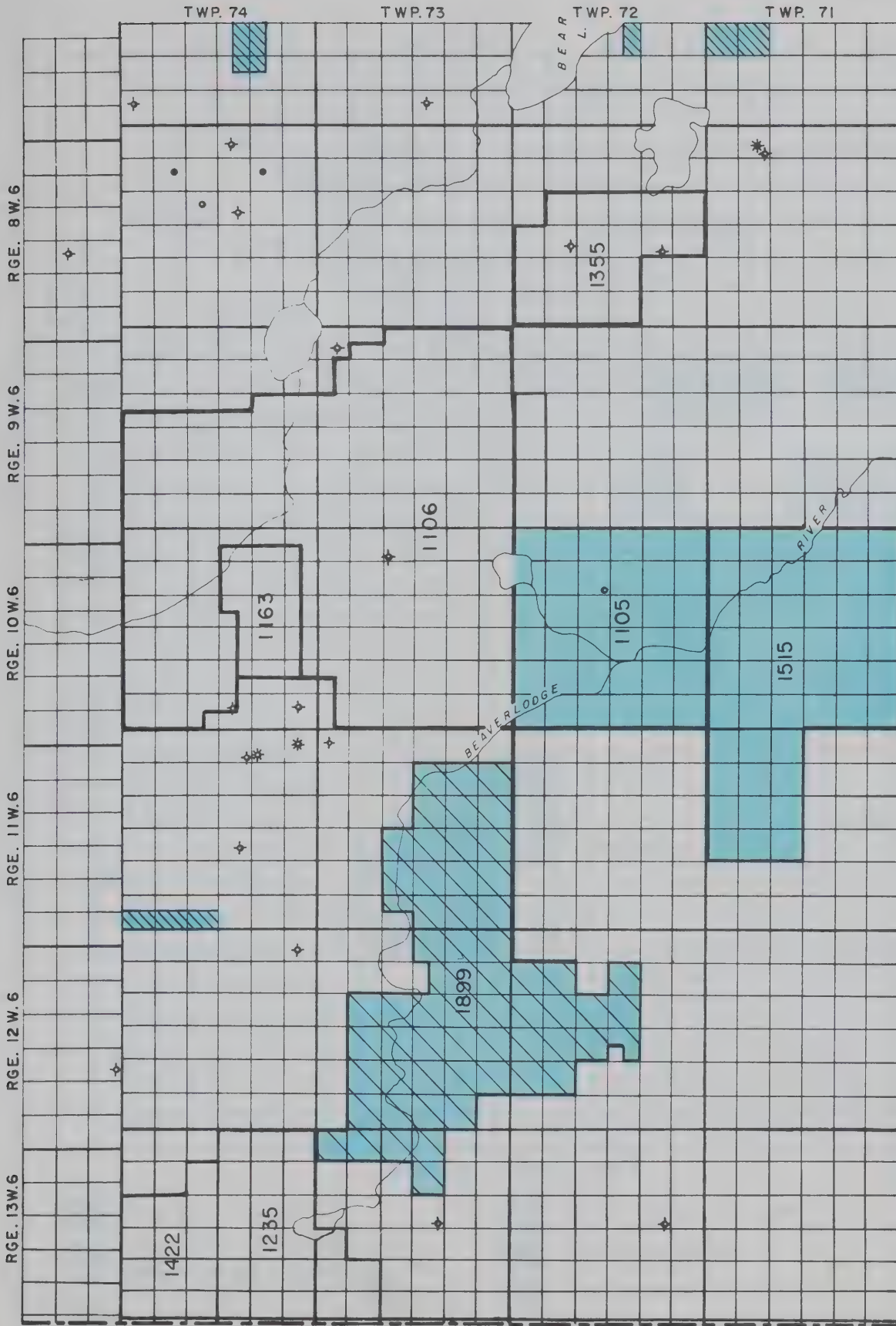
HOME INTERESTS

○ LOCATIONS or DRILLING

⊕ DRY & ABANDONED

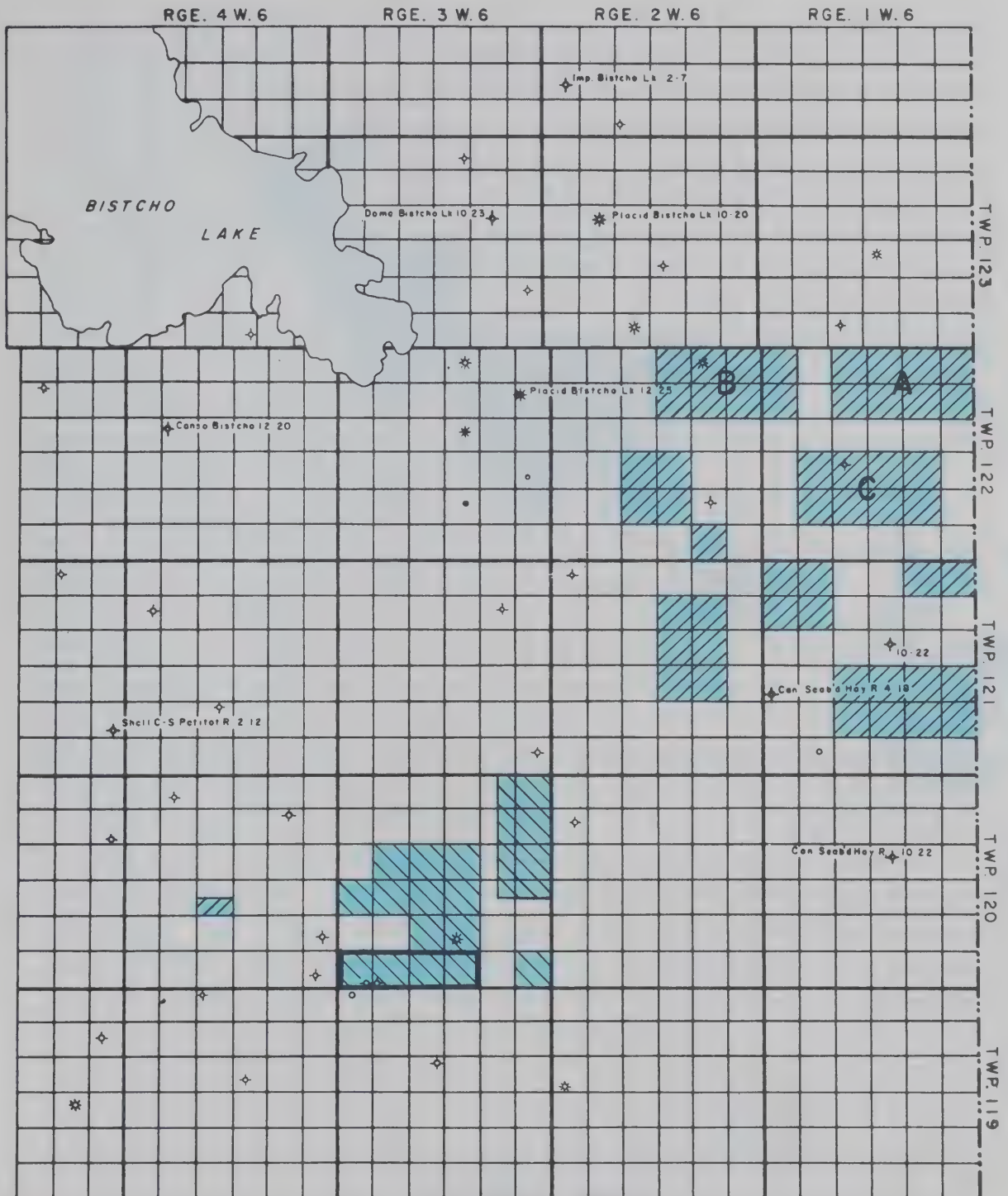
● OIL WELLS

⊗ GAS WELLS



- CROWN P.M.G. LEASES
 P.N.G. RES. No. 1899 PURCHASED APRIL 29, 1971
 FARMIN FROM LEONARD & BANNER RES. Nos. 1105, 1515.

DRILLING OPTION LANDS
 LOCATIONS OF DRILLING
 DRY & ABANDONED
 OIL WELLS
 GAS WELLS



BISTCHO LAKE AREA



CROWN P.N.G. LEASES



P.N.G. RES. No. 623 (LEASE SELECTION)
FARM-IN FROM CHIEFTAIN DEV. & BLUE CROWN
(COVERING NAT. GAS IN SULPHUR PT. ZONE)



FARM-OUT TO CHIEFTAIN & BLUE CROWN



FARMOUT TO MICHIGAN WISC. (EARNED)



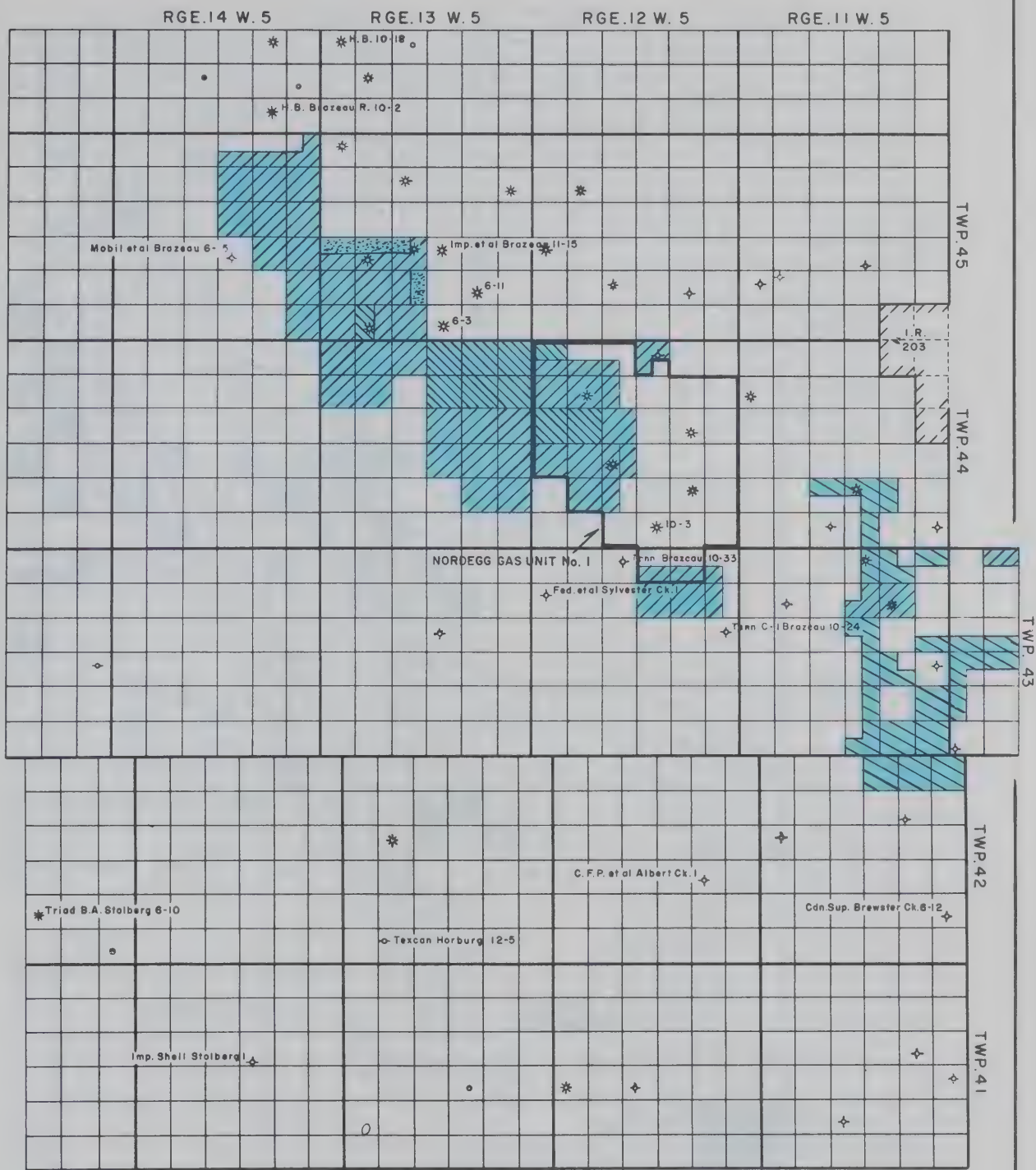
FIRST OPTION BLOCK (DRLG.)







SECOND OPTION BLOCK







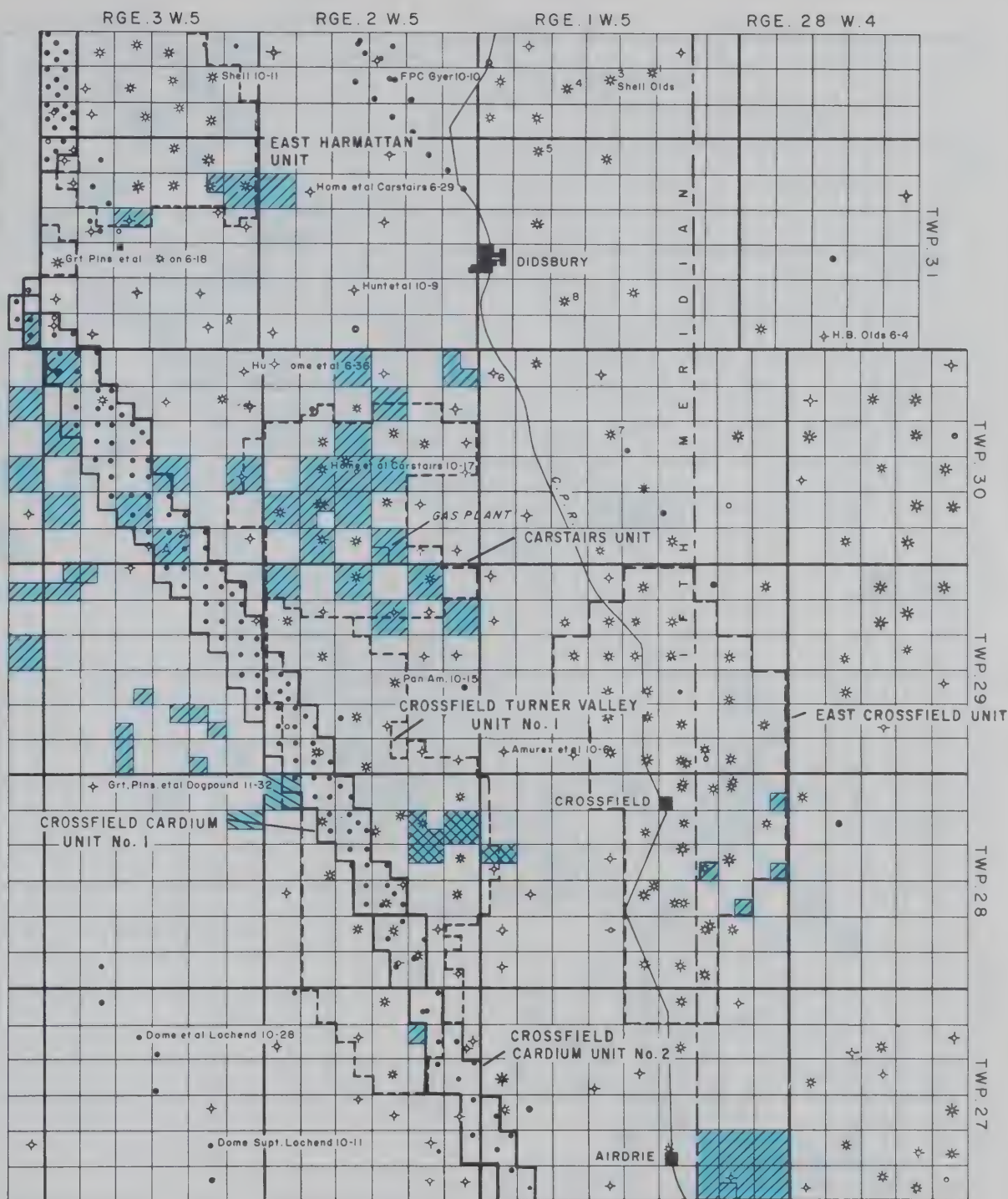
CROWN NAT. GAS LICENCE
REQUESTED FOR POSTING (MARCH/72)






BRAZEAU AREA ALBERTA

-  CROWN P & NG LEASES
-  NATURAL GAS LEASE
-  NATURAL GAS LEASE GLAUCONITE, ROCK CREEK & ELKTON-SHUNDA ZONES.
-  TURNER VALLEY ZONE GAS DELETED FROM P.&N.G. LEASE BUT COVERED BY N.G. LEASE.

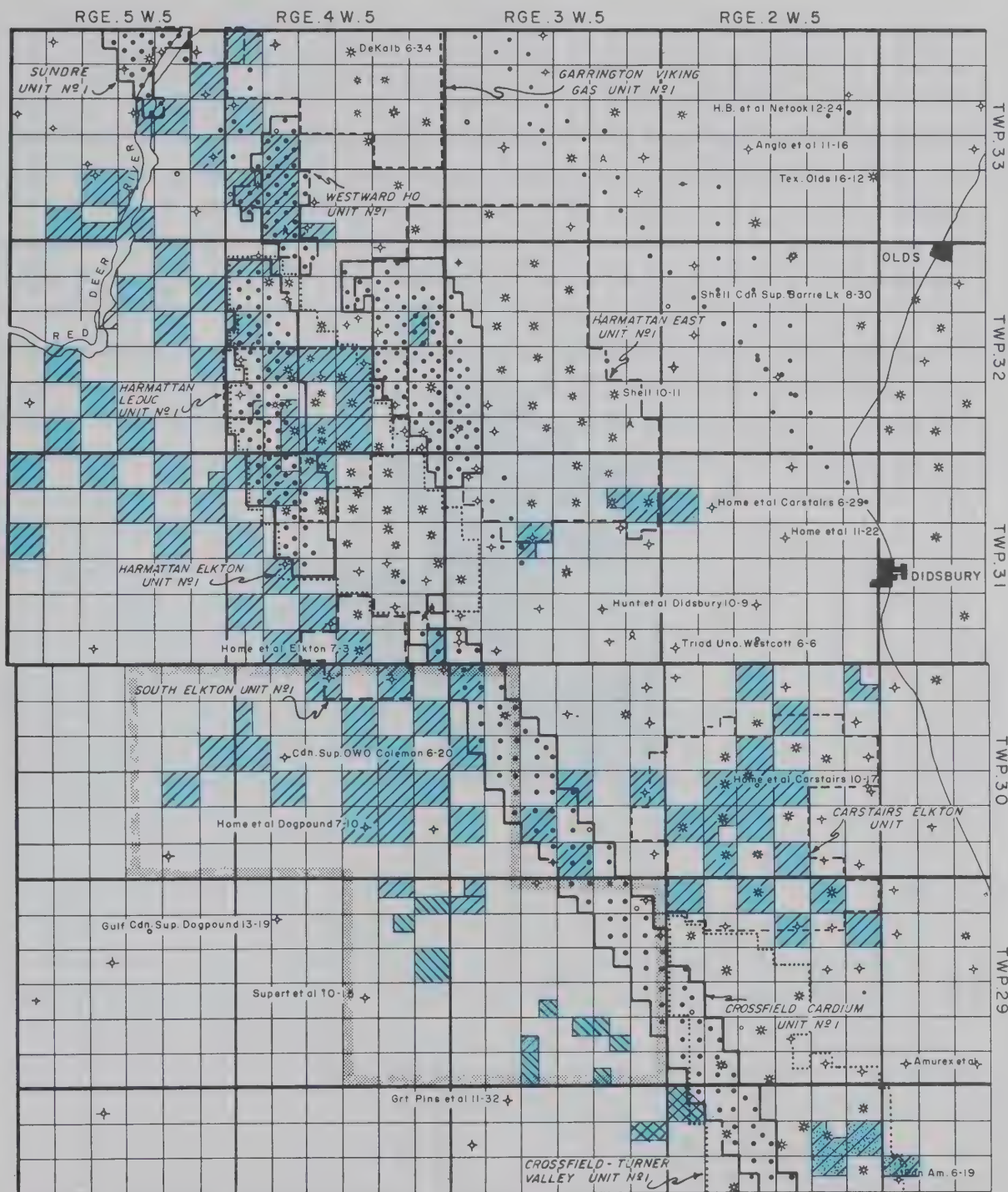
-  LOCATIONS or DRILLING
-  OIL WELLS
-  DRY & ABANDONED
-  GAS WELLS



CARSTAIRS-CROSSFIELD AREA **ALBERTA**

-  CROWN P & G LEASES
-  CROSSFIELD POOLING AGREEMENT LANDS
-  UNITED OIL GROSS ROYALTY

-  LOCATIONS or DRILLING
-  OIL WELLS
-  DRY & ABANDONED
-  GAS WELLS



CREMONA AREA

ALBERTA



CROWN P & NG LEASES



DRILLING RES. No. 857 LEASES SELECTED
(HOME, ALMINEX, KERN, CAN. SUP. C&E)



UNITED OIL GROSS ROYALTY



CROSSFIELD POOLING AGREEMENT LANDS



MUTUAL INTEREST AREA
HOME, C&E, CAN SUP. (DOGPOUND)



○ LOCATIONS or DRILLING
⊙ DRY & ABANDONED

● OIL WELLS
★ GAS WELLS

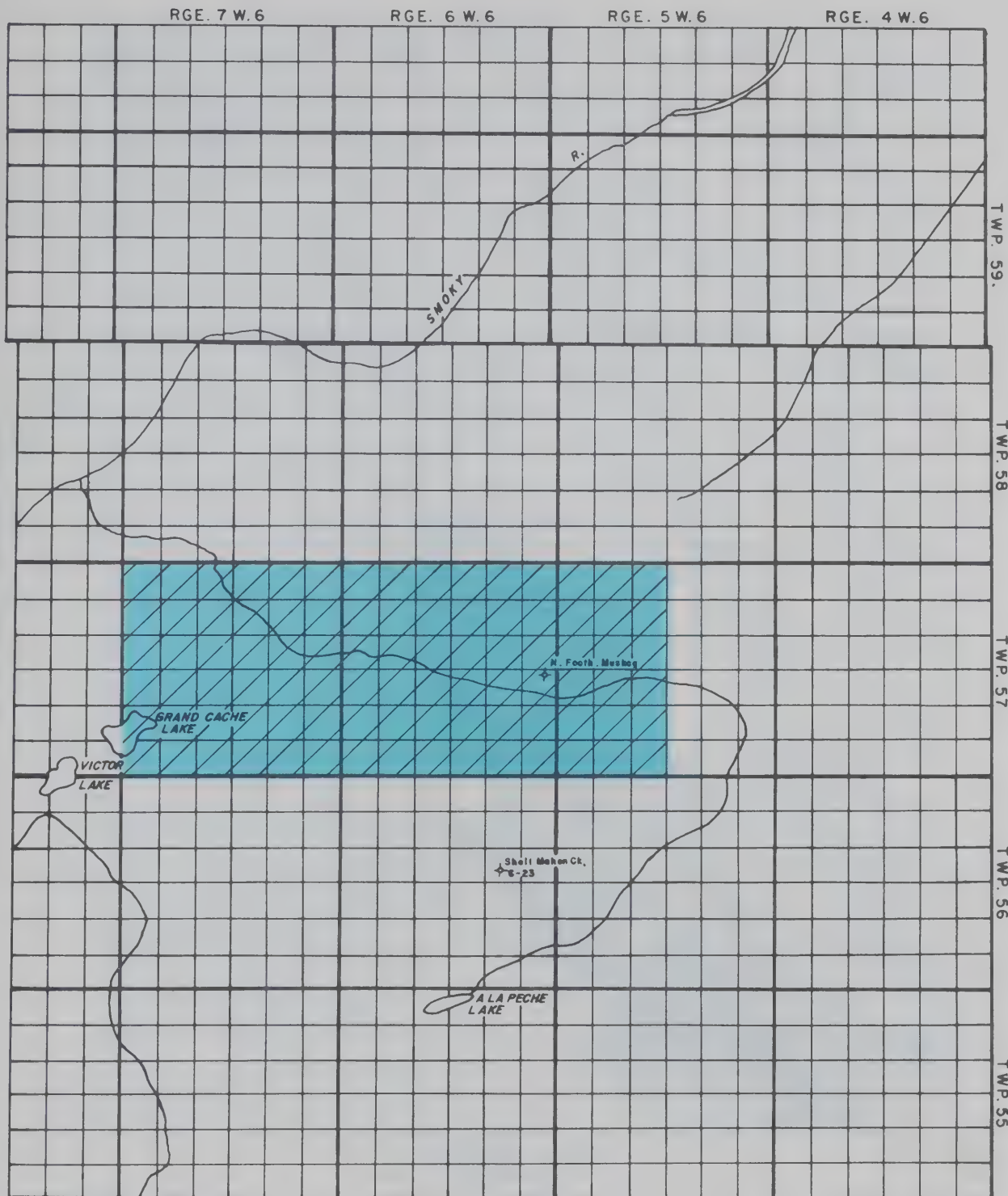


DUNVEGAN AREA
ALBERTA



P & NG RES. No. 1472

- LOCATIONS or DRILLING
- OIL WELLS
- ✦ DRY & ABANDONED
- ☼ GAS WELLS

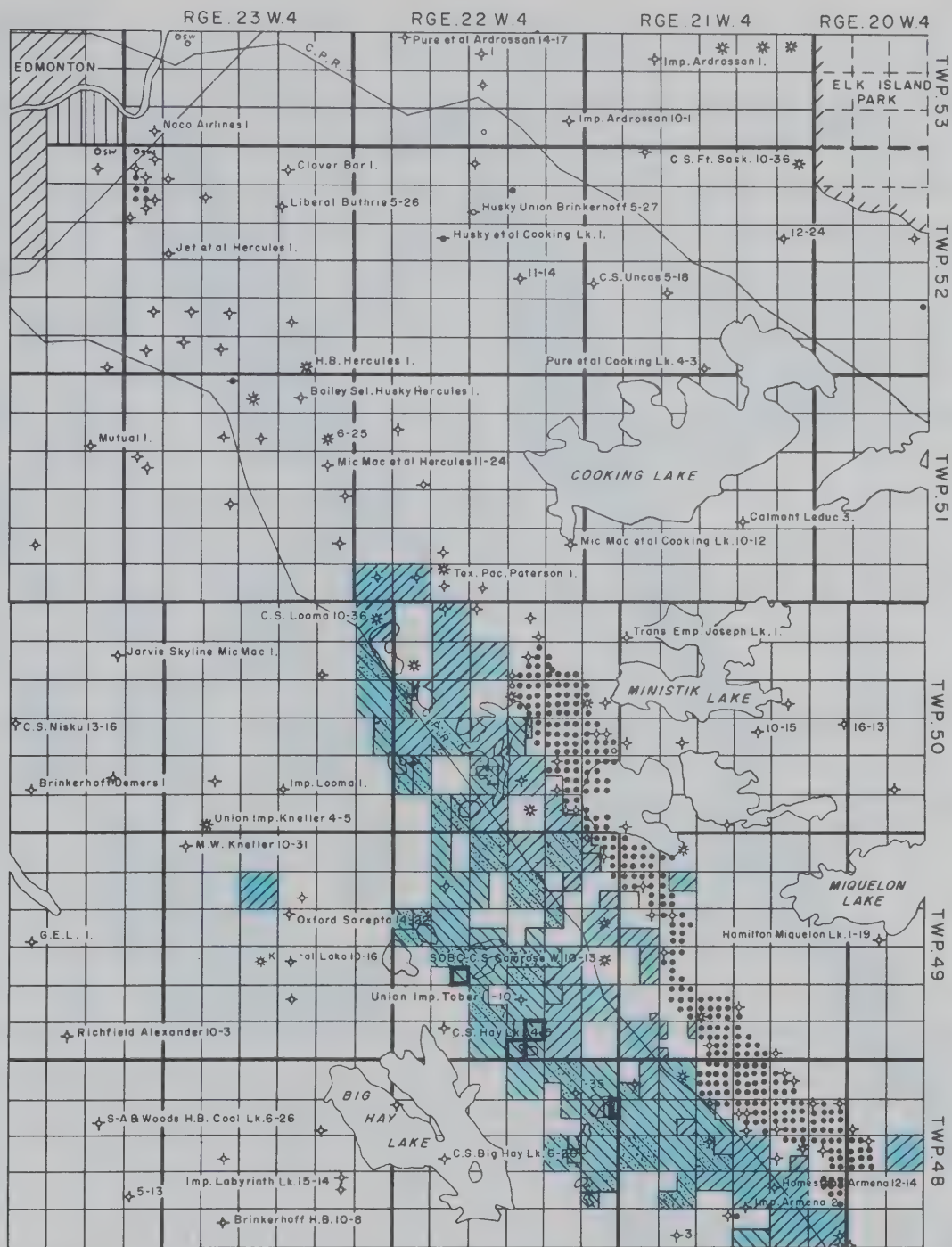


GRANDE CACHE AREA
ALBERTA



P.N.G. RES. PARCEL No. 1710 PURCHASED OCT. 28/69

- | | |
|-------------------------|-------------|
| ○ LOCATIONS or DRILLING | ● OIL WELLS |
| ✕ DRY & ABANDONED | ☼ GAS WELLS |



JOARCAM AREA ALBERTA



CROWN P.N.G.



FREEHOLD 2% ORR TO KRC



P.N.G. LEASES 2% ORR TO KRC



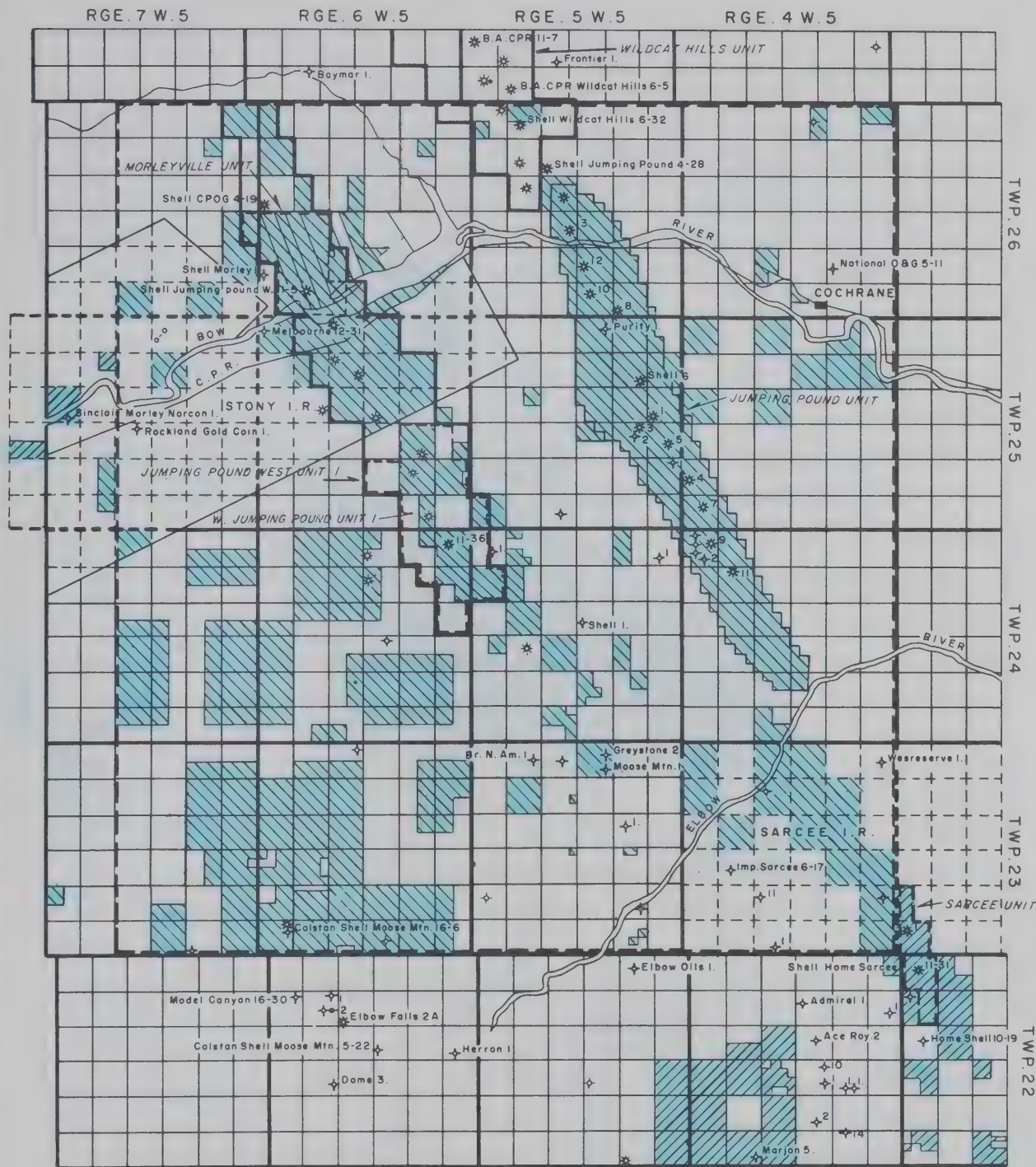
CPR P.N.G. LEASES (DOWN TO, BUT NOT
INCLUDING THE PALEOZOIC FM.)
2% ORR TO KRC

○ LOCATIONS or DRILLING

⊕ DRY & ABANDONED

● OIL WELLS

⊕ GAS WELLS



JUMPING POUND AREA ALBERTA

 SHELL - HOME JUMPING POUND AGREEMENT AREA

 CROWN P & NG LEASES

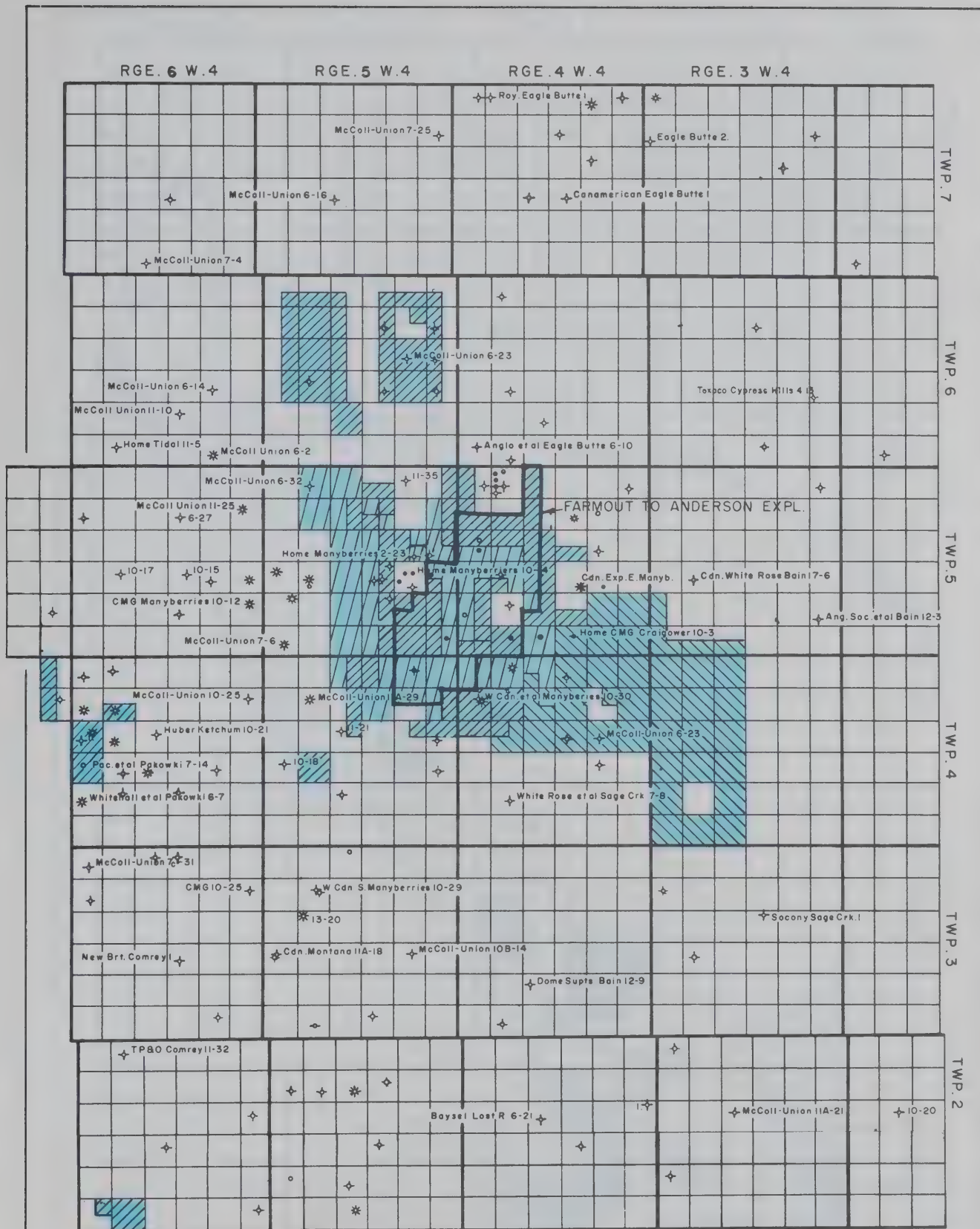
 MORLEYVILLE UNIT - OPERATOR - SHELL

○ LOCATIONS or DRILLING

⊙ DRY & ABANDONED

● OIL WELLS

⊙ GAS WELLS



MANYBERRIES-CRAIGOWER AREA



CROWN P.N.G. LEASES



LEASE SELECTION FROM PERMIT No. 50



CROWN P.N.G. PERMIT No. 117 (LEASE SELECTION)

○ LOCATIONS or DRILLING

● OIL WELLS

⊕ DRY & ABANDONED

⊛ GAS WELLS

RGE. 5 W. 5

RGE. 4 W. 5

RGE. 3 W. 5

RGE. 2 W. 5

RGE. 1 W. 5

TWP. 74

TWP. 73

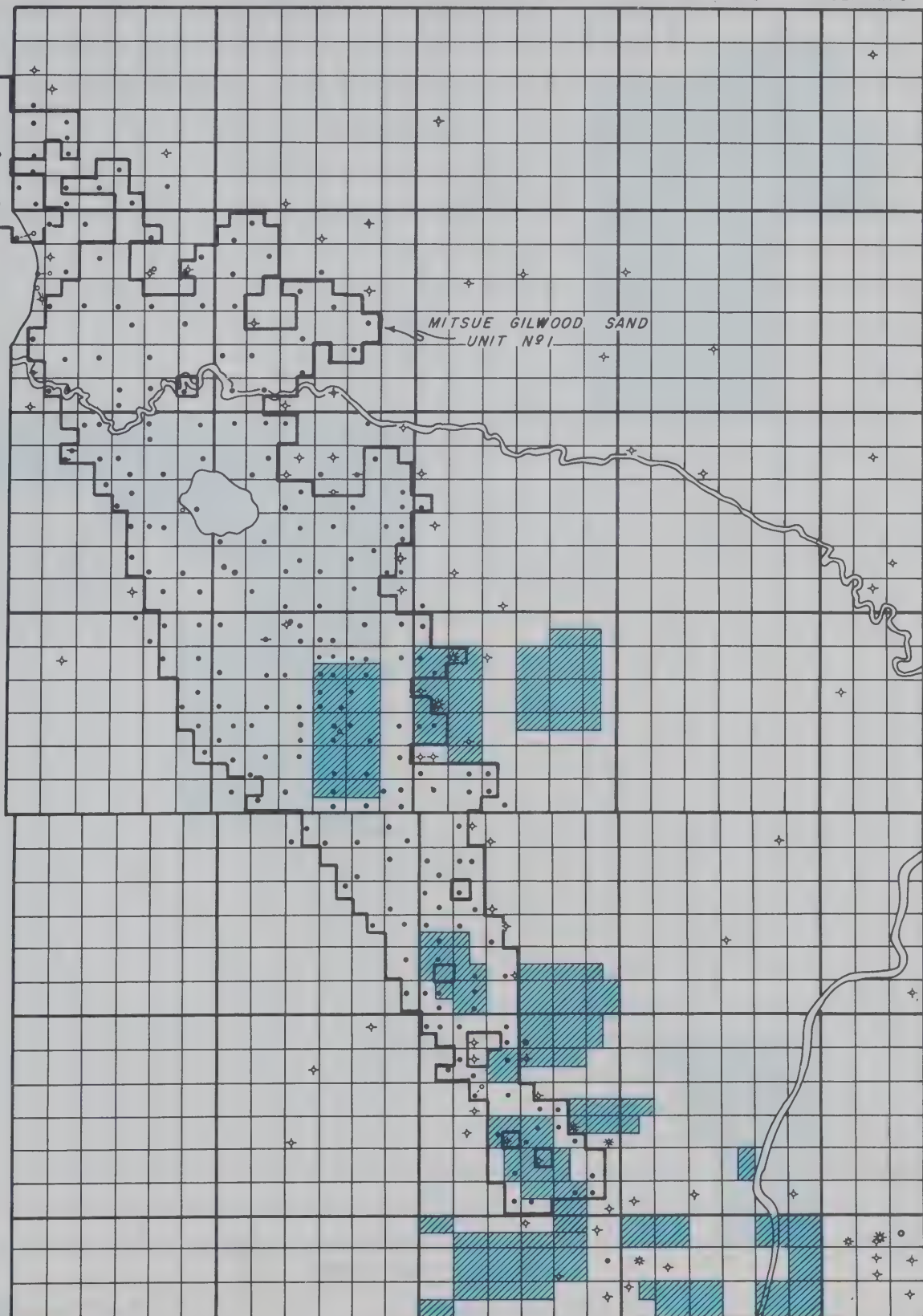
TWP. 72

TWP. 71

TWP. 70

TWP. 69

TWP. 68

MITSUE GILWOOD SAND
UNIT NO. 1

CROWN PNG LEASES

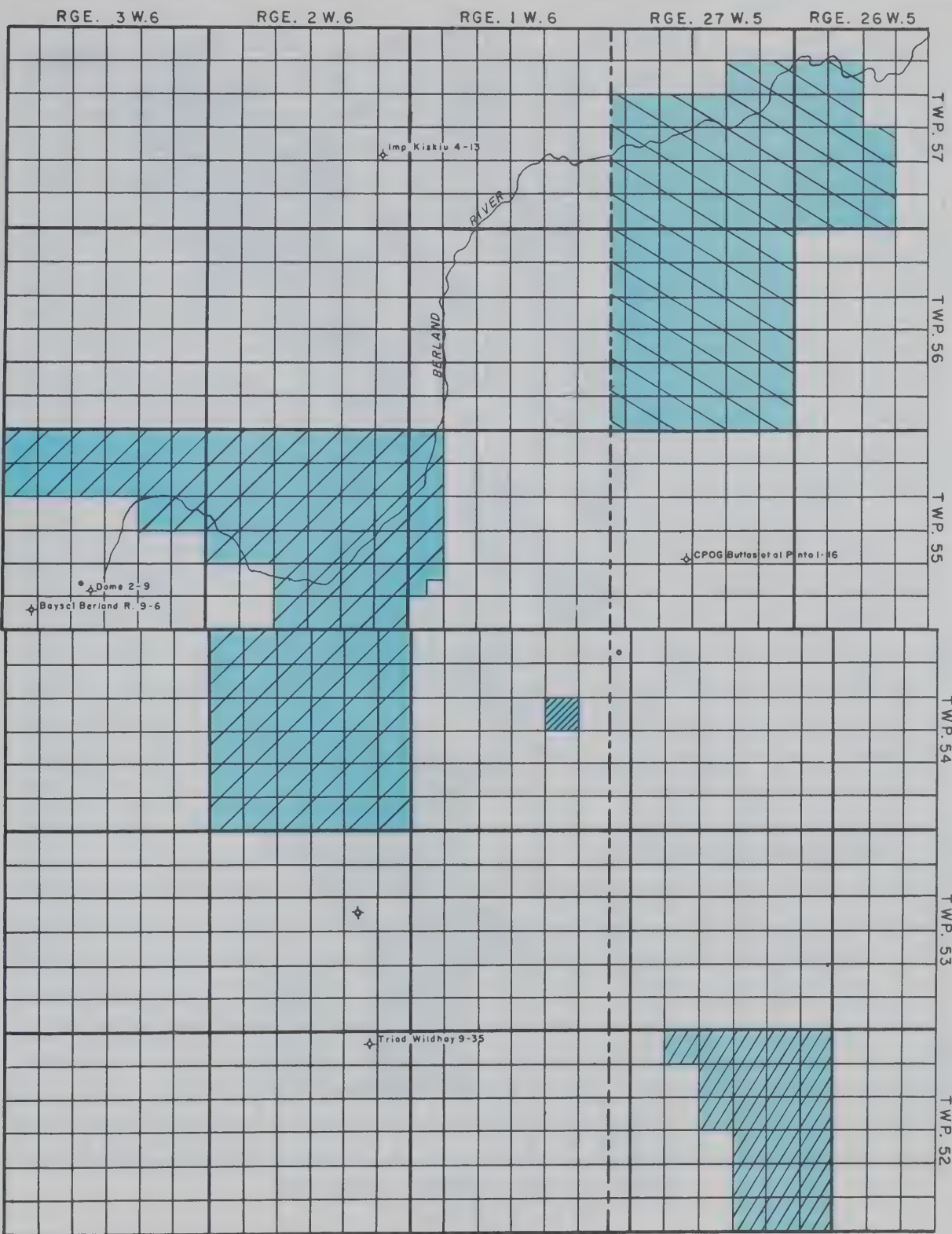
MITSUE - SYLVIA AREA
ALBERTA

O LOCATIONS or DRILLING









● OIL WELLS

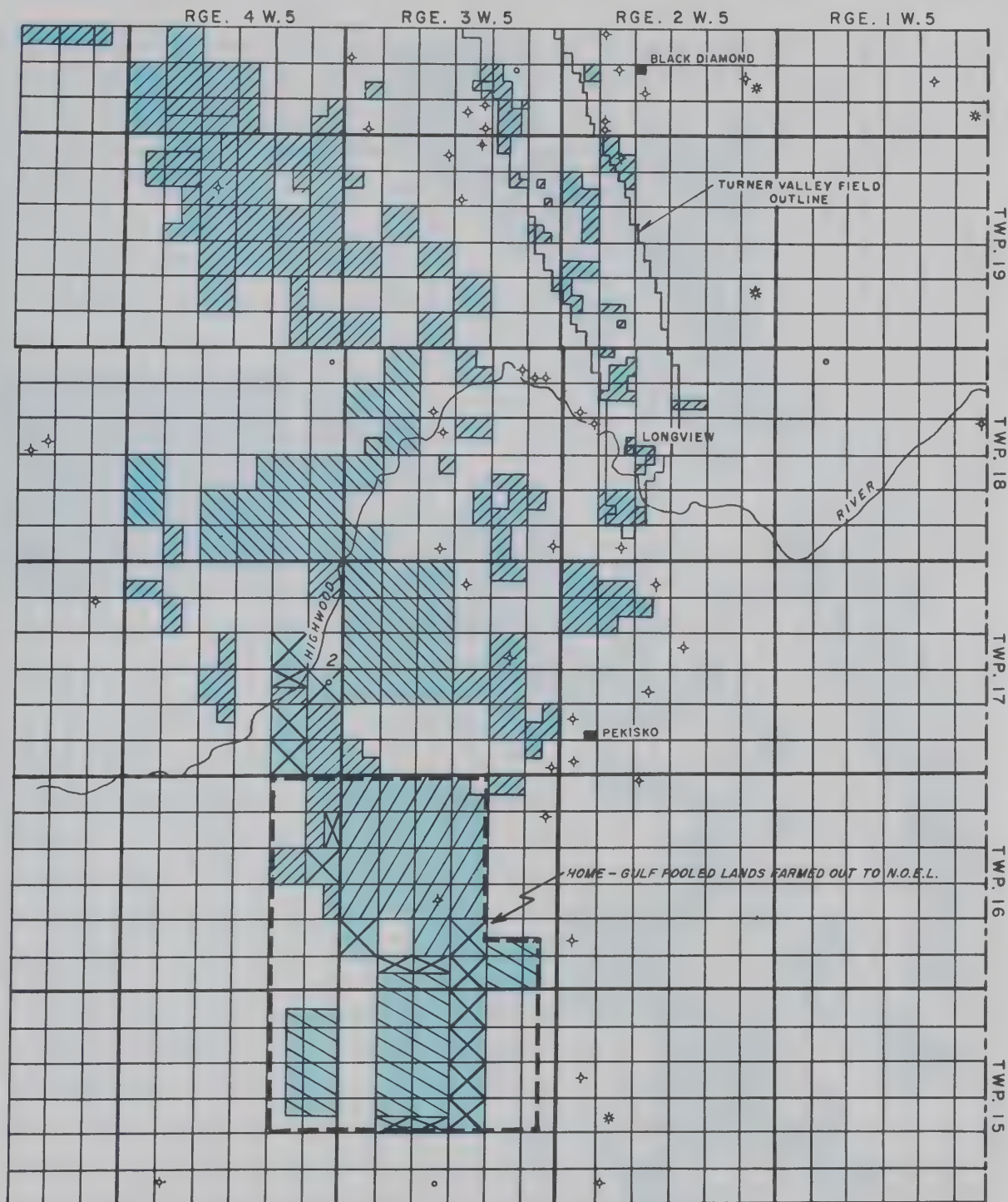
⊕ DRY & ABANDONED

★ GAS WELLS

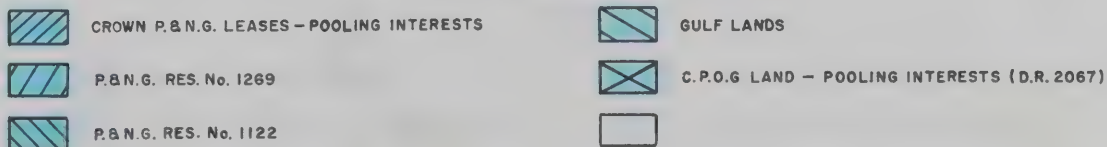


OBED (WEST) AREA

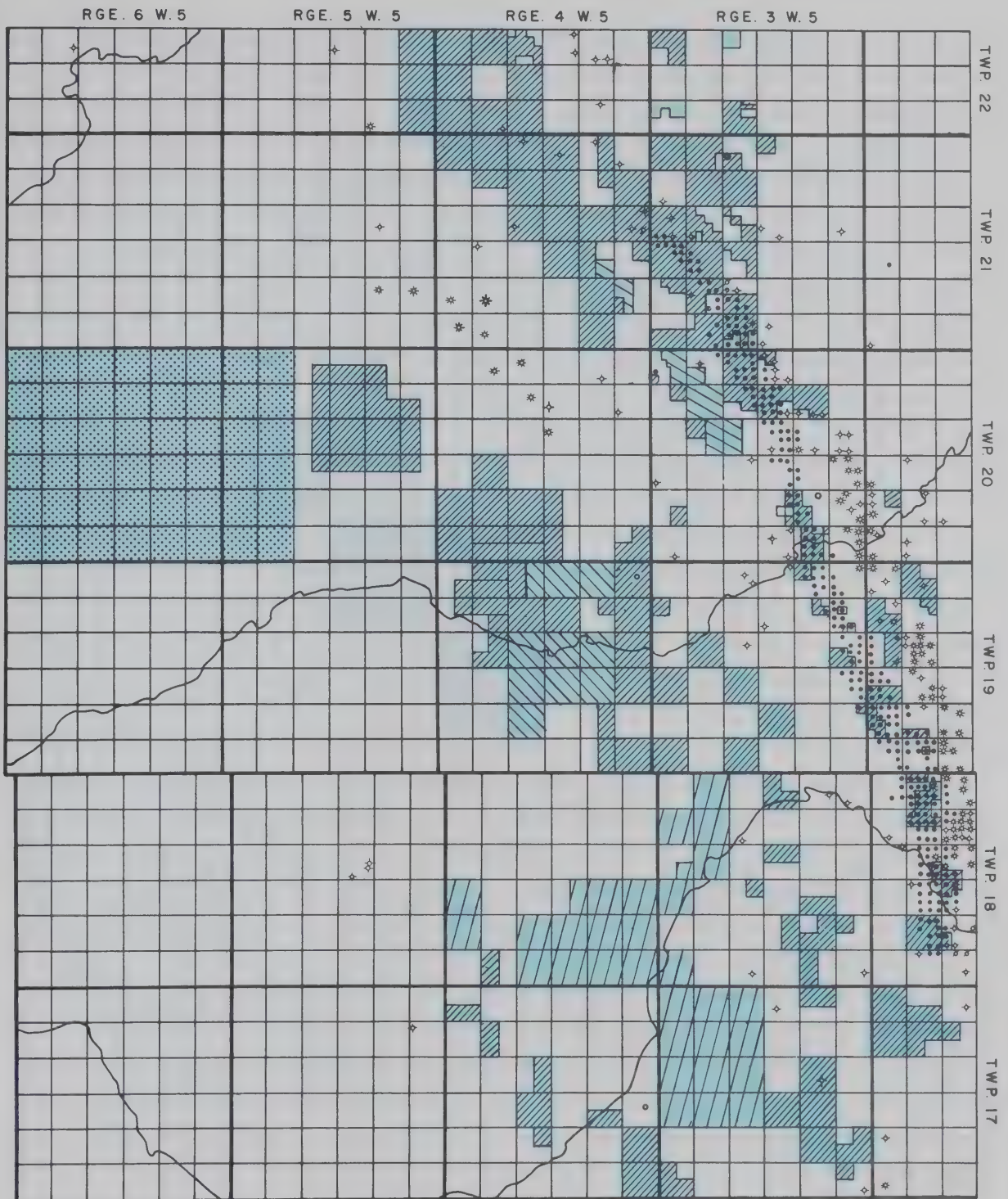
- | | |
|---|--|
|  PANG RES No. 1374 |  CROWN PANG LEASE |
|  PANG RES No. 1417 — SEISMIC PROGRAM | |
|  PANG RES No. 1419 | |
|  LOCATIONS or DRILLING |  OIL WELLS |
|  DRY & ABANDONED |  GAS WELLS |



PEKISKO - TURNER VALLEY AREA ALBERTA



○ LOCATIONS or DRILLING ● OIL WELLS
 ✧ DRY & ABANDONED ☼ GAS WELLS



QUIRK CREEK AREA

ALBERTA



CROWN P & NG LEASES



ARCO LANDS POOLED WITH HOME (1486)



P & NG RES No. 1122



RES. No. 788 (ACQUIRED FROM TRANSALTA.)



DRLG. RES. 1786 (LEASE SELECTION)

○ LOCATIONS or DRILLING

◇ DRY & ABANDONED

● OIL WELLS

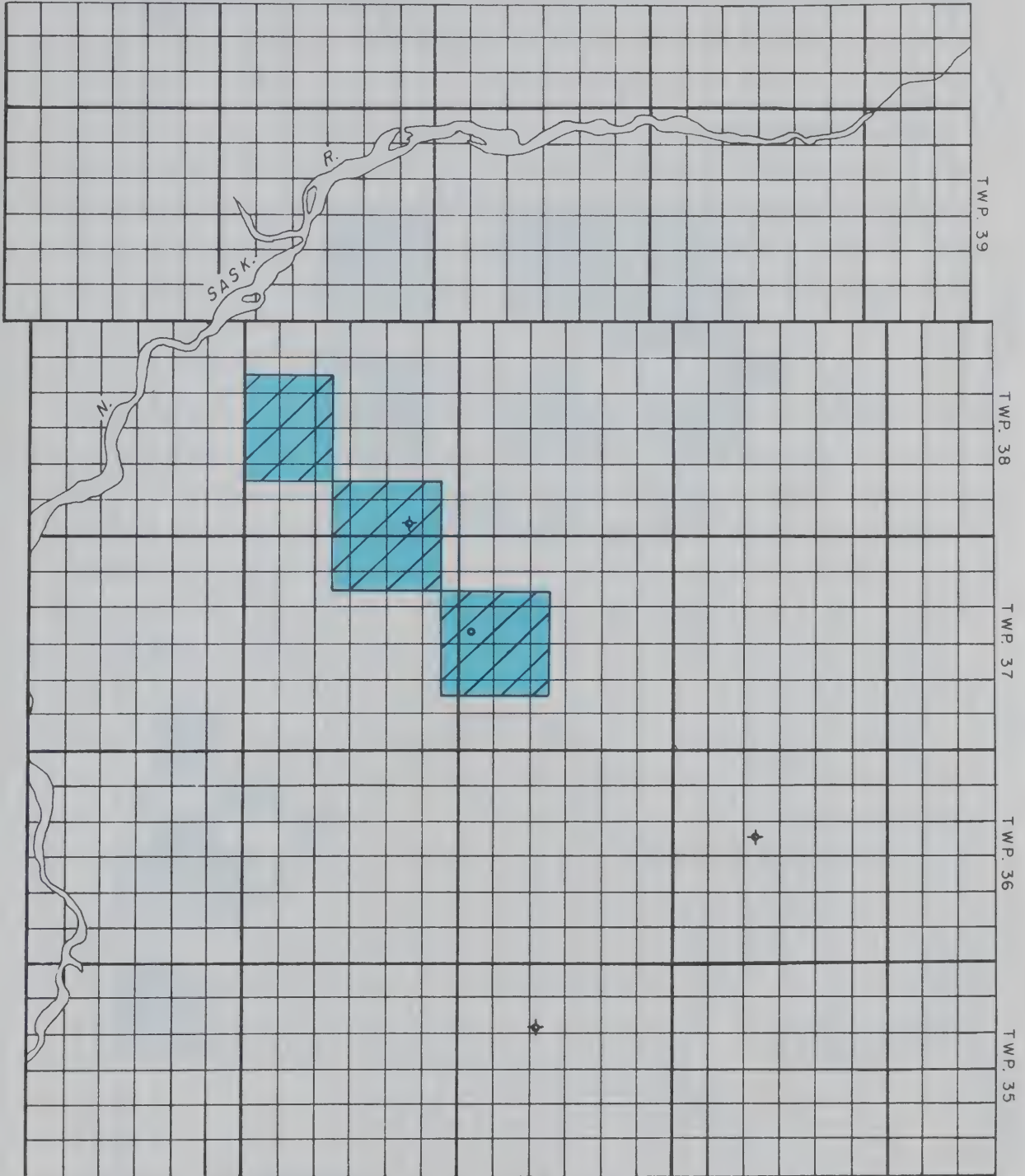
★ GAS WELLS

RGE. 17 W.5

RGE. 16 W.5

RGE. 15 W.5

RGE. 14 W.5



RAM RIVER AREA
ALBERTA



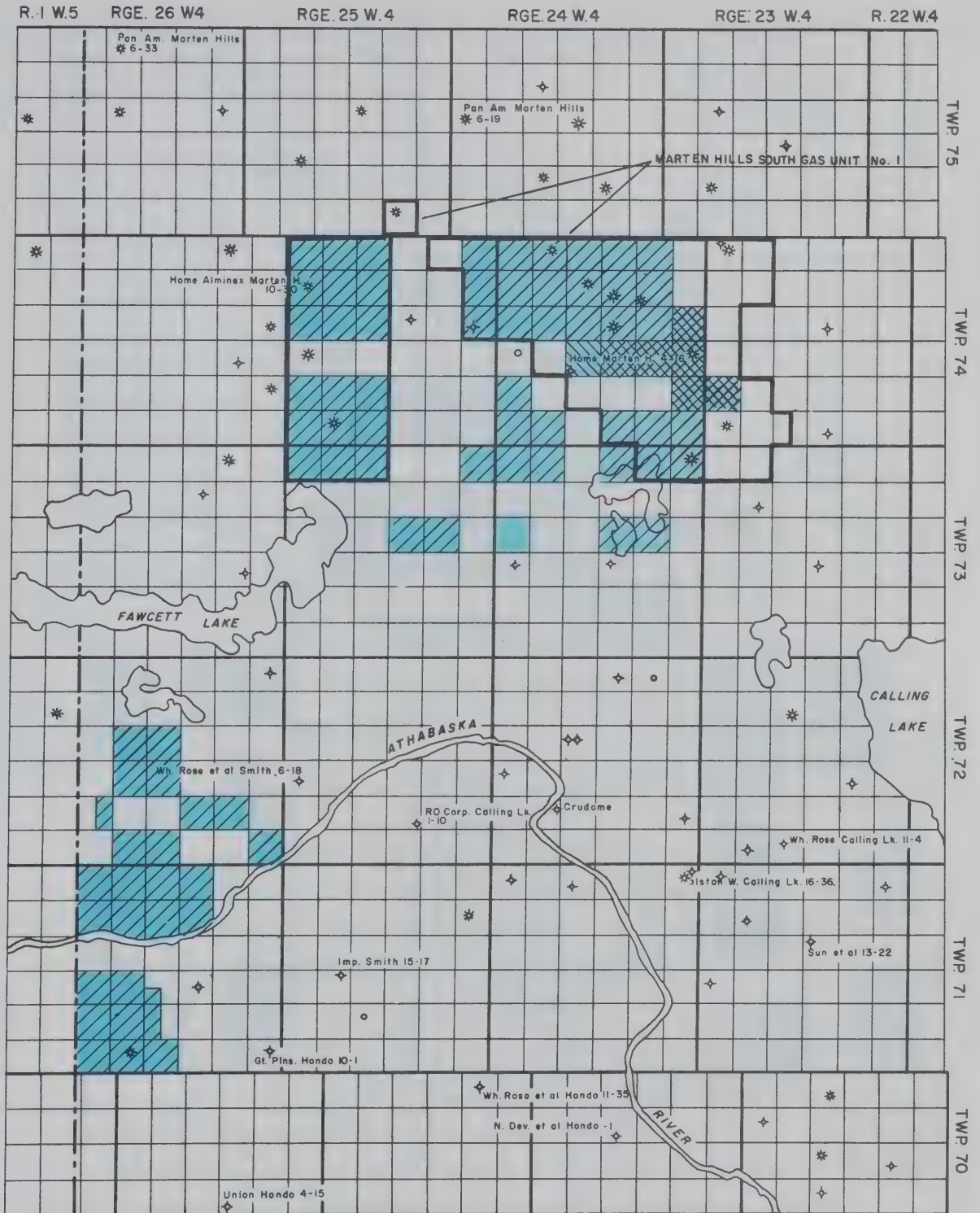
FARMOUT LANDS — SHELL-AQUITAINE-HOME ET AL

○ LOCATIONS OF DRILLING




⊙ DRY & ABANDONED

● OIL WELLS

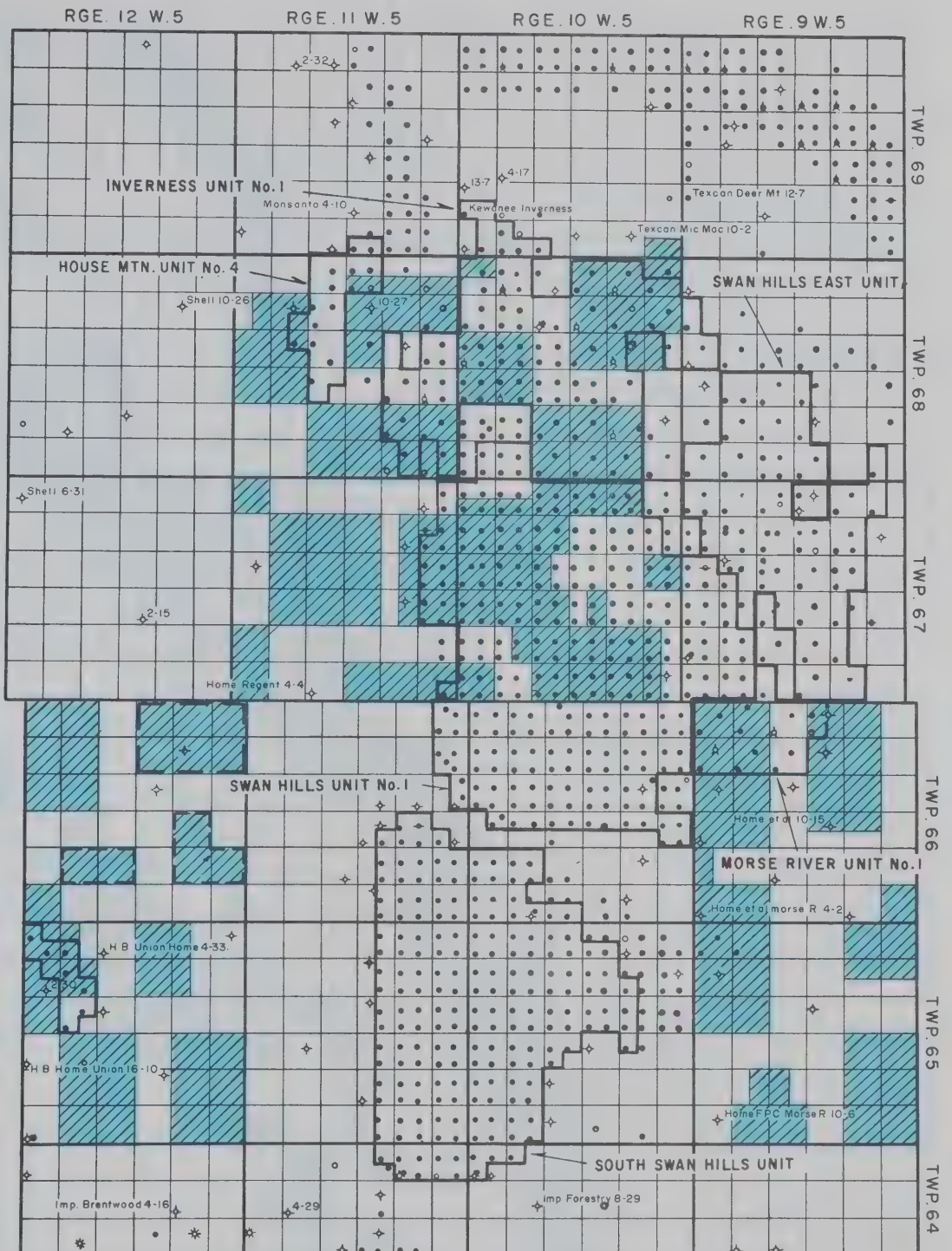
⋄ GAS WELLS



SMITH & MARTEN HILLS AREA

-  CROWN P.&N.G. LEASES
-  N.G. LEASE 1085 (WABISKAW & WABAMUM)
-  WABISKAW GAS ONLY

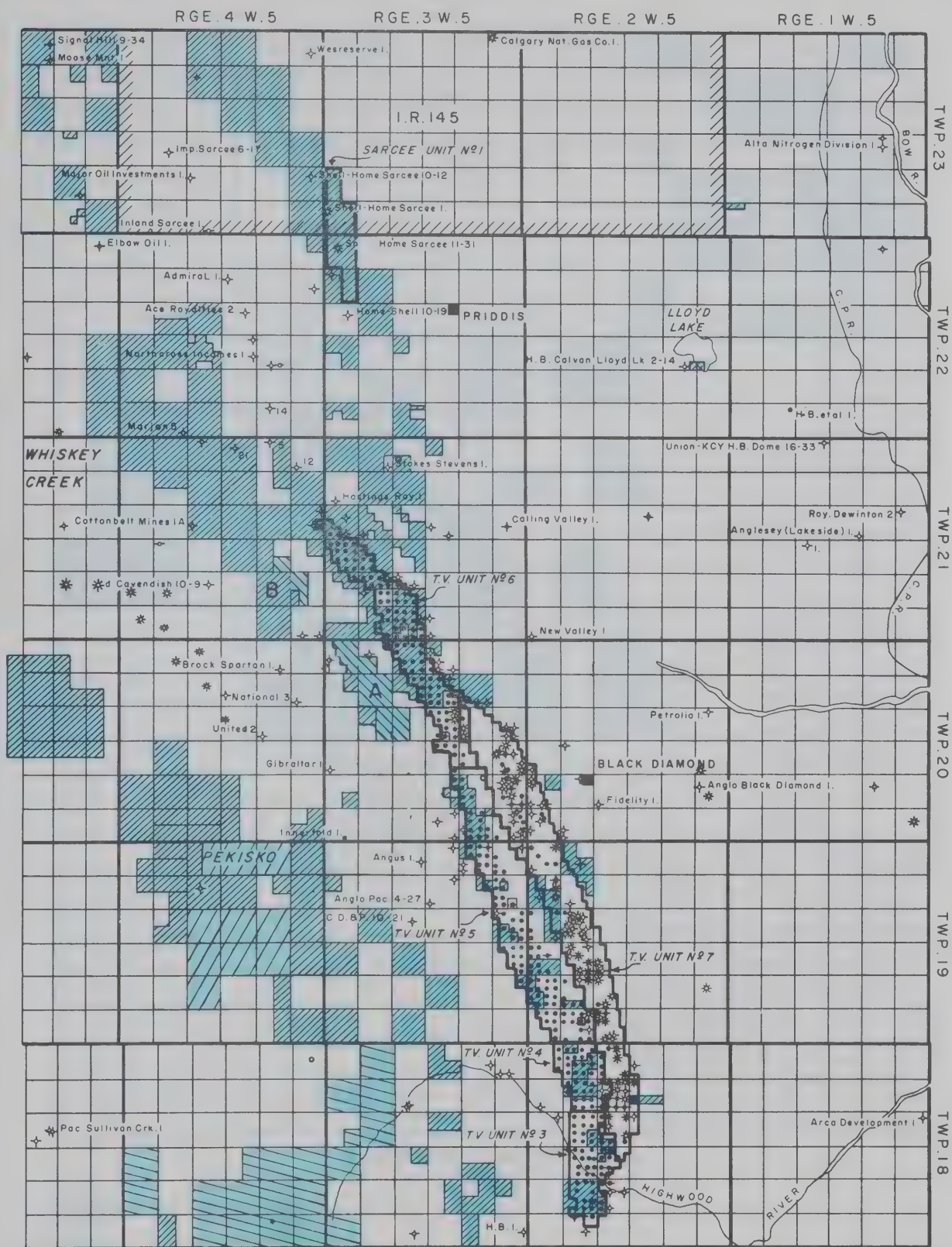
-  LOCATIONS or DRILLING
-  OIL WELLS
-  DRY & ABANDONED
-  GAS WELLS



SWAN HILLS - MORSE RIVER - HOUSE MTN. - INVERNESS AREAS
ALBERTA



- LOCATIONS or DRILLING
- OIL WELLS
- ◇ DRY & ABANDONED
- ☼ GAS WELLS



TURNER VALLEY AREA



CROWN PANG LEASES

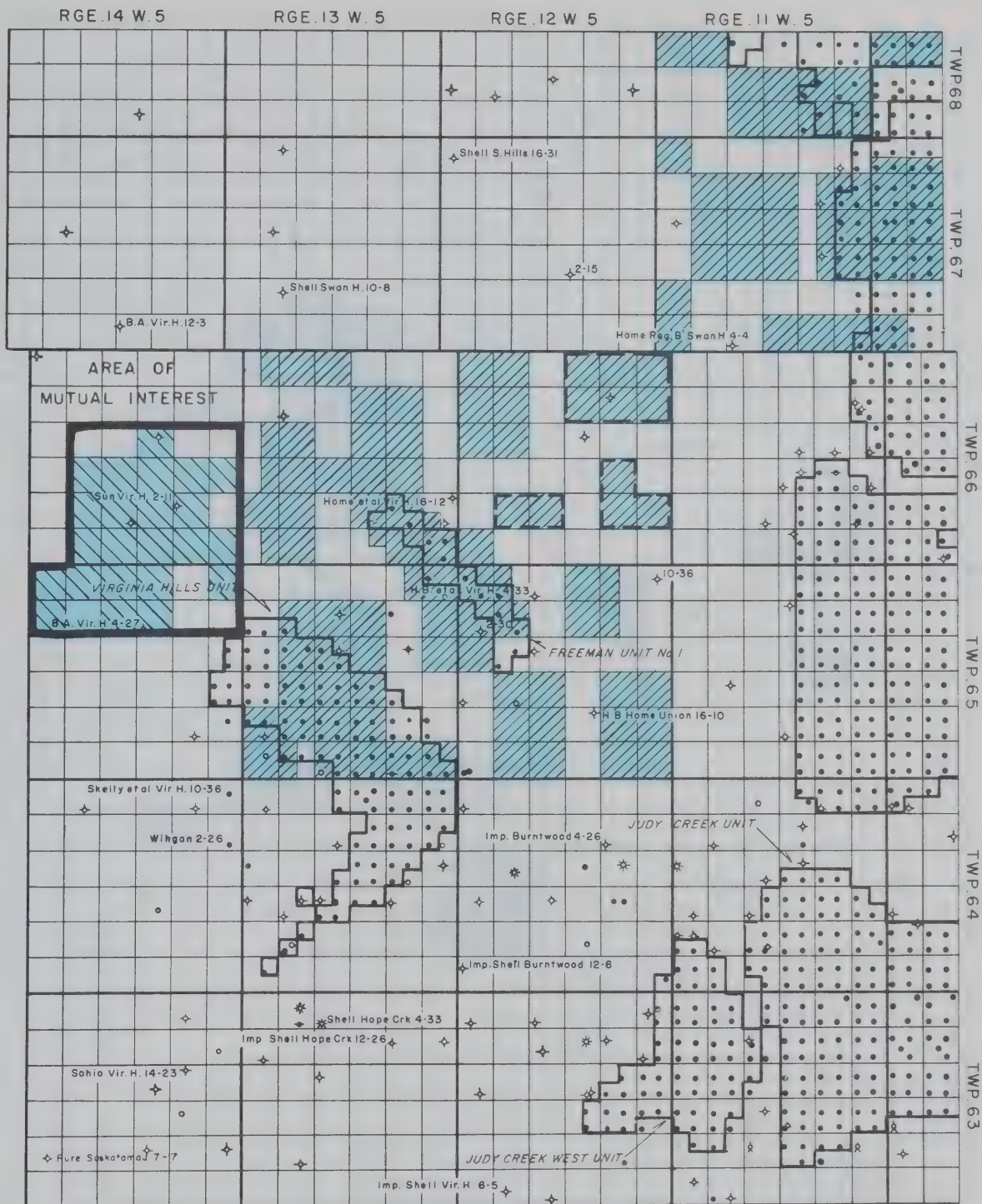
RES. No. 788 (AQUIRED FROM TRANSALTA)



PANG RES. No. 1122

DRLG. RES. No. 1786
LEASE SELECTION

- LOCATIONS or DRILLING
- ◊ DRY & ABANDONED
- OIL WELLS
- ★ GAS WELLS



VIRGINIA HILLS AREA ALBERTA



CROWN P & NG LEASES



RES. NO. 1511 FARMIN FROM HUSKY OIL



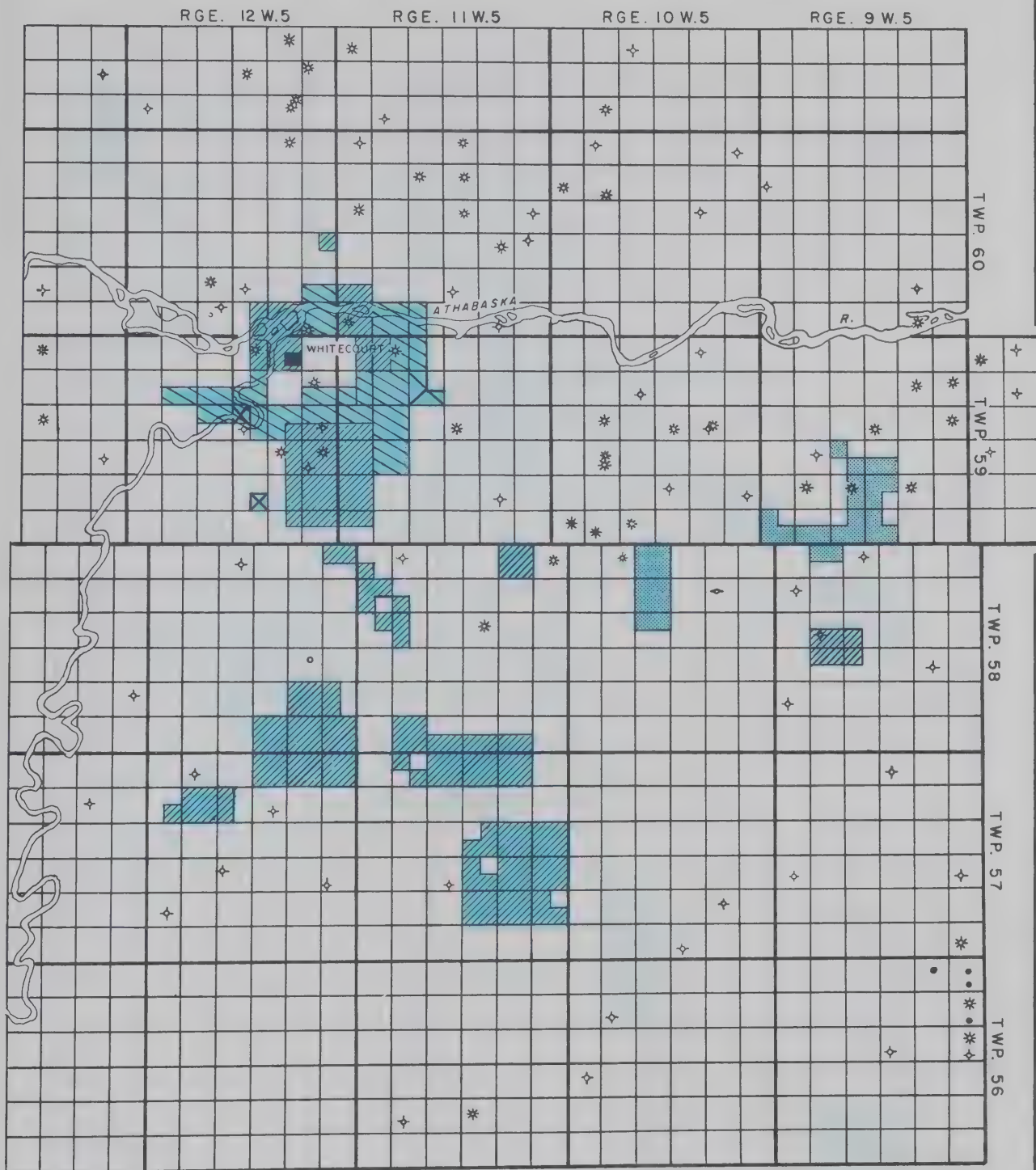
FARMOUT TO ARCO

○ LOCATIONS or DRILLING





⊕ DRY & ABANDONED

● OIL WELLS

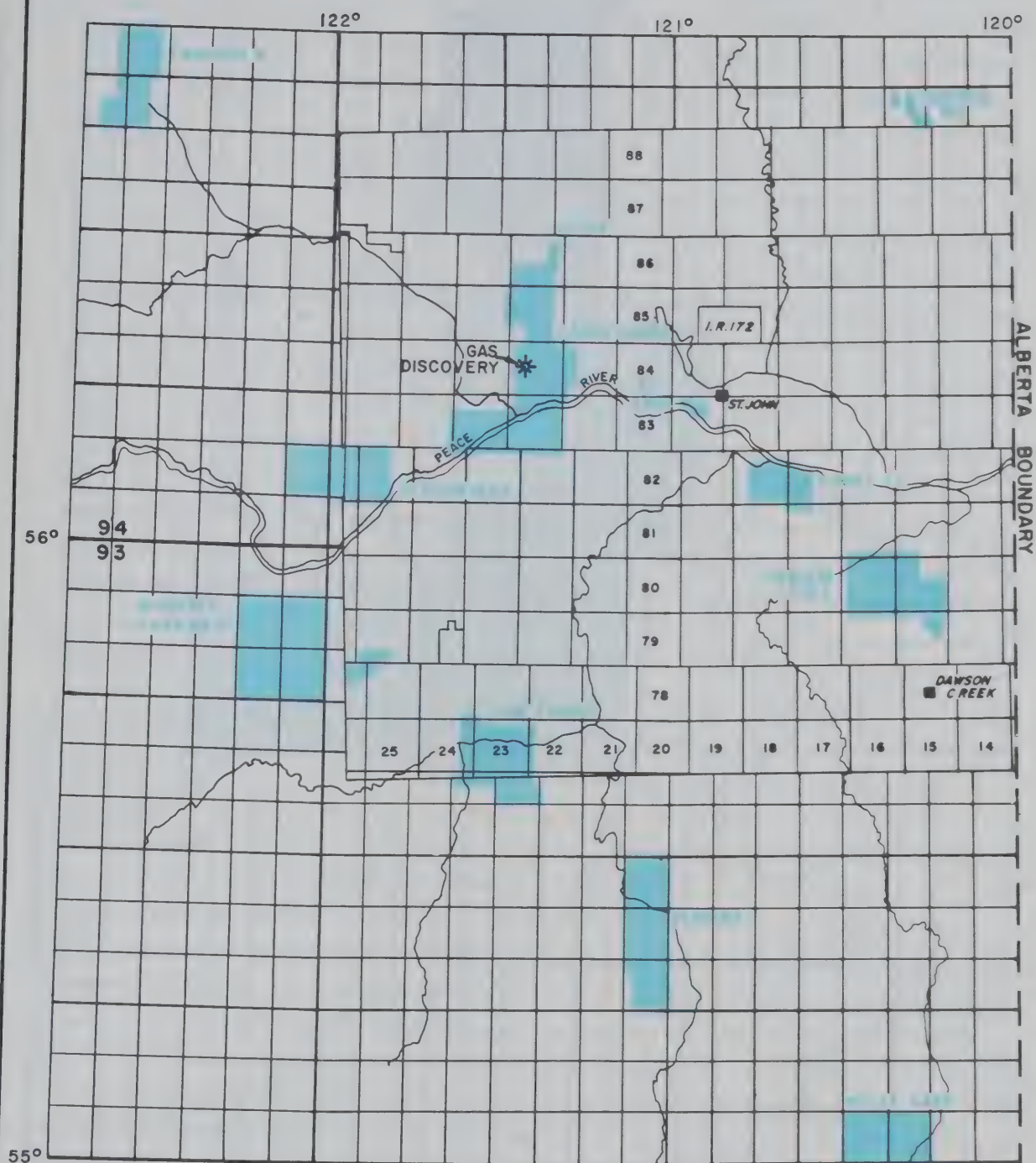
⊛ GAS WELLS



WHITECOURT AREA ALBERTA

-  CROWN P&G LEASES
-  NATURAL GAS RIGHTS ONLY
-  GAS LICENSE No. 177 (LEASE SELECTION)
-  NATURAL GAS IN LOWER MANVILLE
NORDEGG & PEKISKO ZONES

-  LOCATIONS of DRILLING
-  OIL WELLS
-  DRY & ABANDONED
-  GAS WELLS



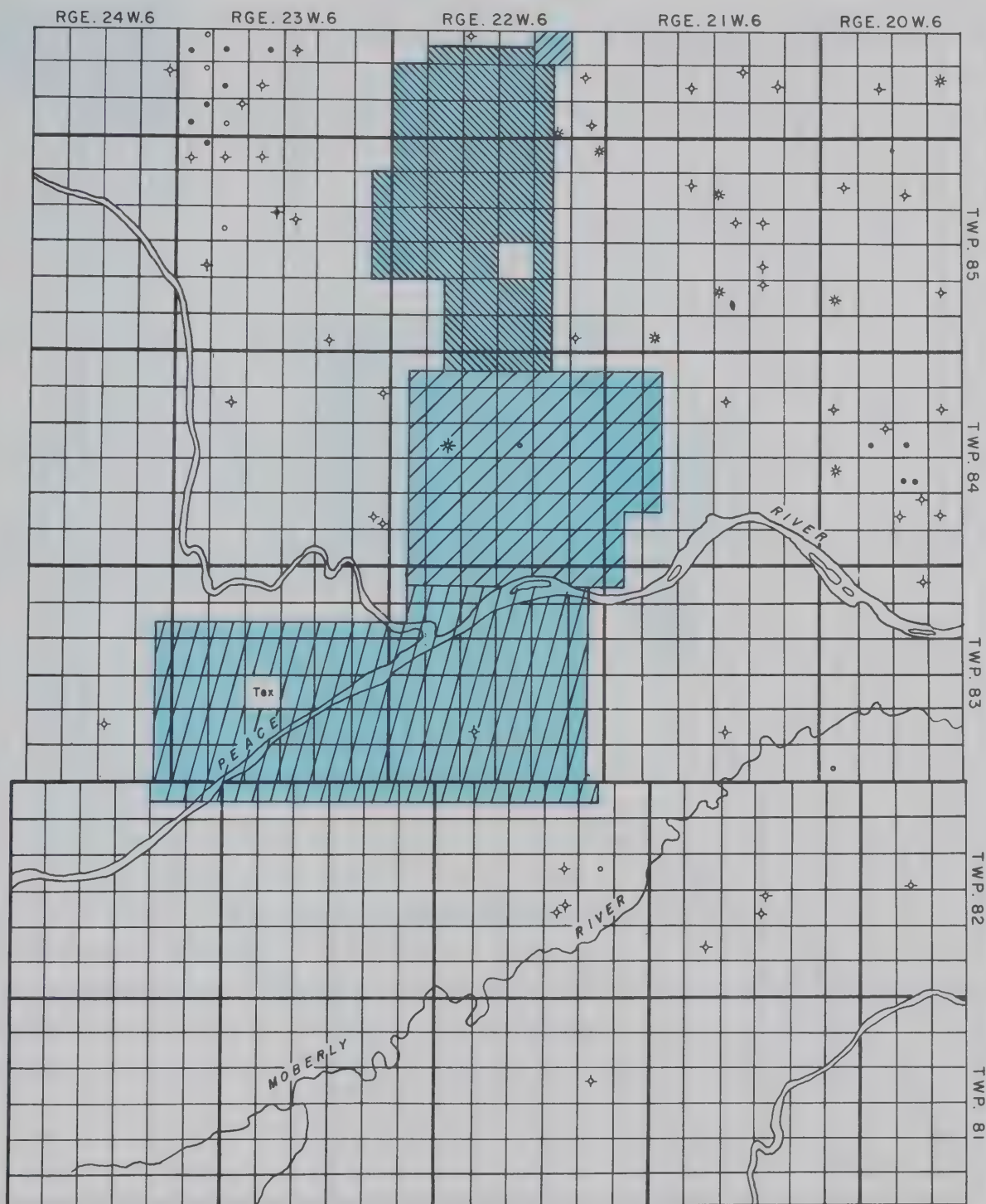
NORTHEAST BRITISH COLUMBIA

SCALE: 1" = 16 MILES




— HOME OIL PERMITS

○ LOCATIONS or DRILLING
 ⊗ DRY & ABANDONED

● OIL WELLS
 ☆ GAS WELLS



CACHE CREEK AREA
N.E. BRITISH COLUMBIA

-  PERMIT No. 1985 FARMIN FROM MONSANTO
-  CROWN P.&N.G. LEASES
-  P&N.G. PERMIT (PARCEL 3582) B.C. SALE NOV. 24/71

 P&N.G. PERMIT - B.C. SALE AUG. 18/71
No. 2296

- LOCATIONS or DRILLING
- OIL WELLS
- ⊕ DRY & ABANDONED
- ★ GAS WELLS

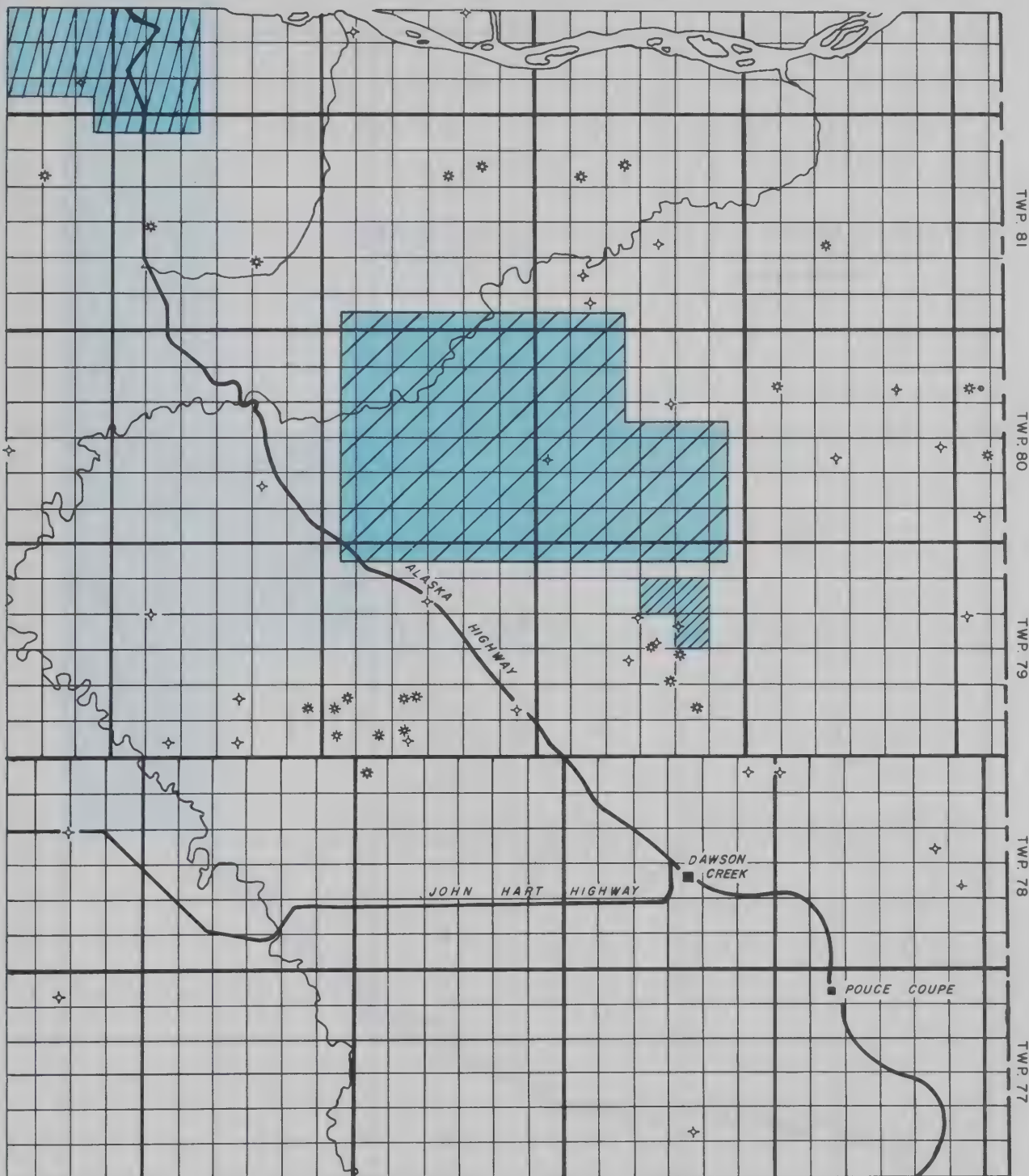
RGE. 18

RGE. 17

RGE. 16

RGE. 15

RGE. 14 W 6



DAWSON CREEK AREA N.E. BRITISH COLUMBIA



PERMIT No. 1973 (PURCHASED SALE JAN. 22/69 17,876 acs)



C.P.O.G. - C.D.R. PERMIT No. 1725



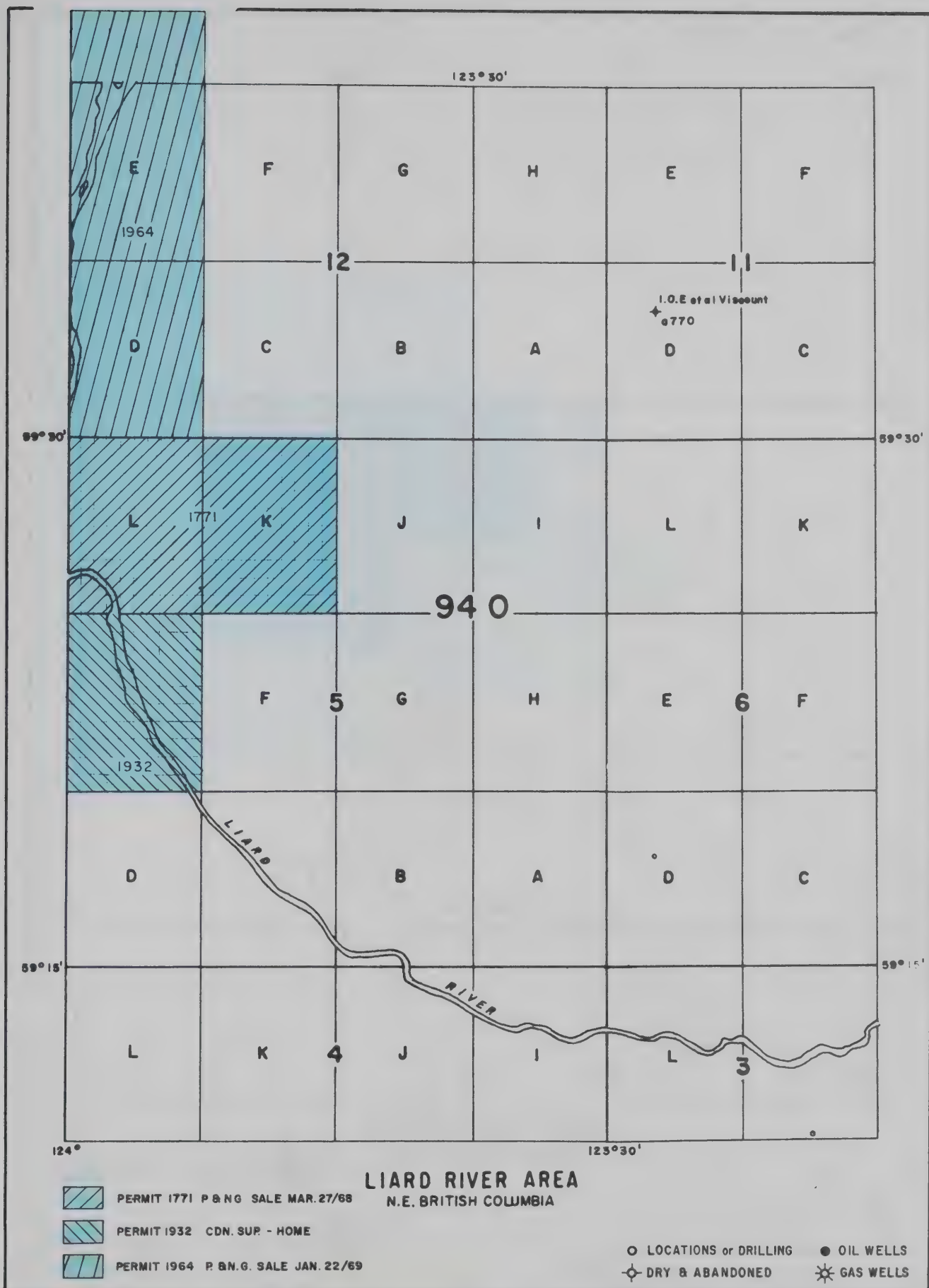
CROWN P.N.G. LEASES

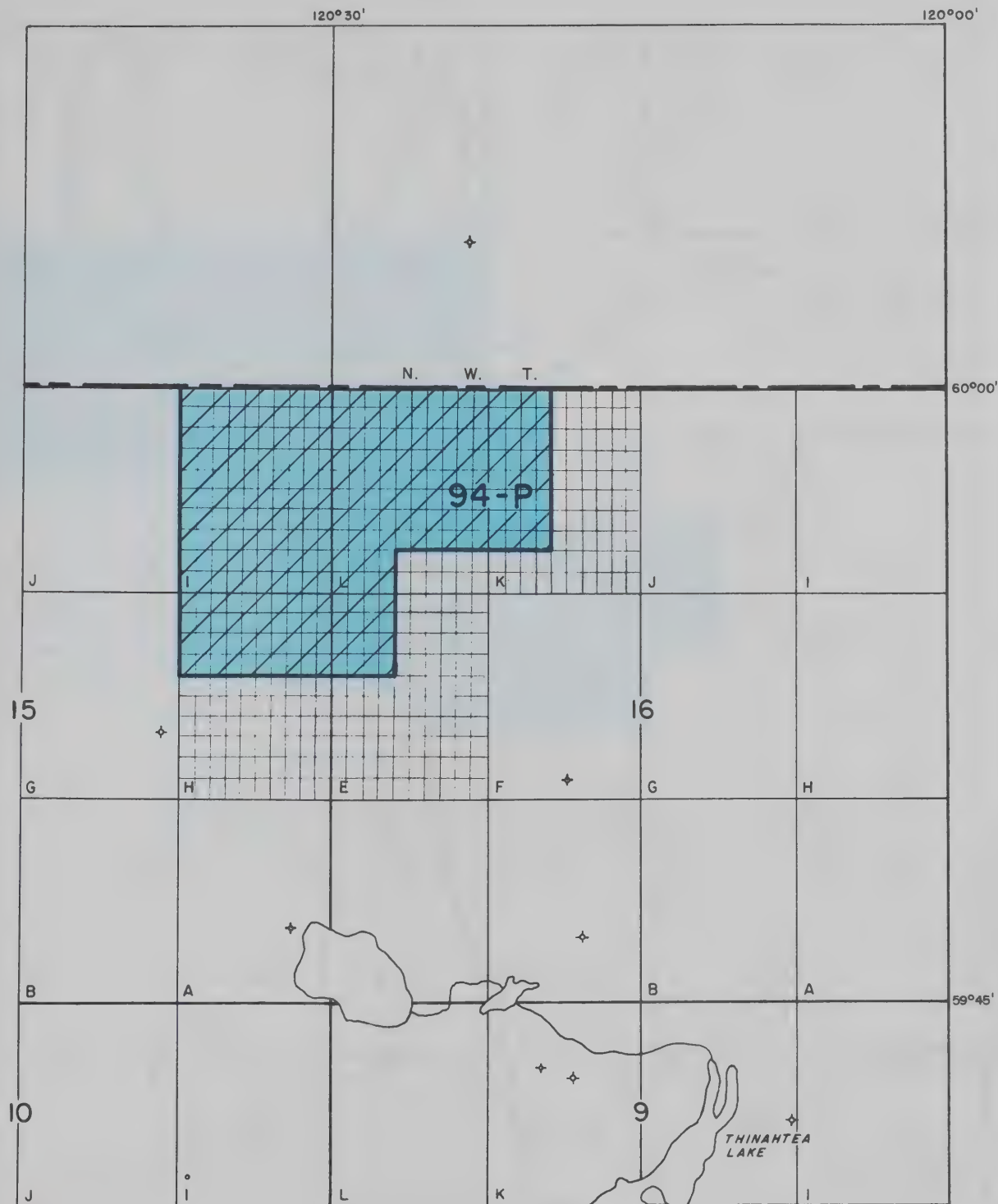
○ LOCATIONS or DRILLING

◇ DRY & ABANDONED

● OIL WELLS

✱ GAS WELLS



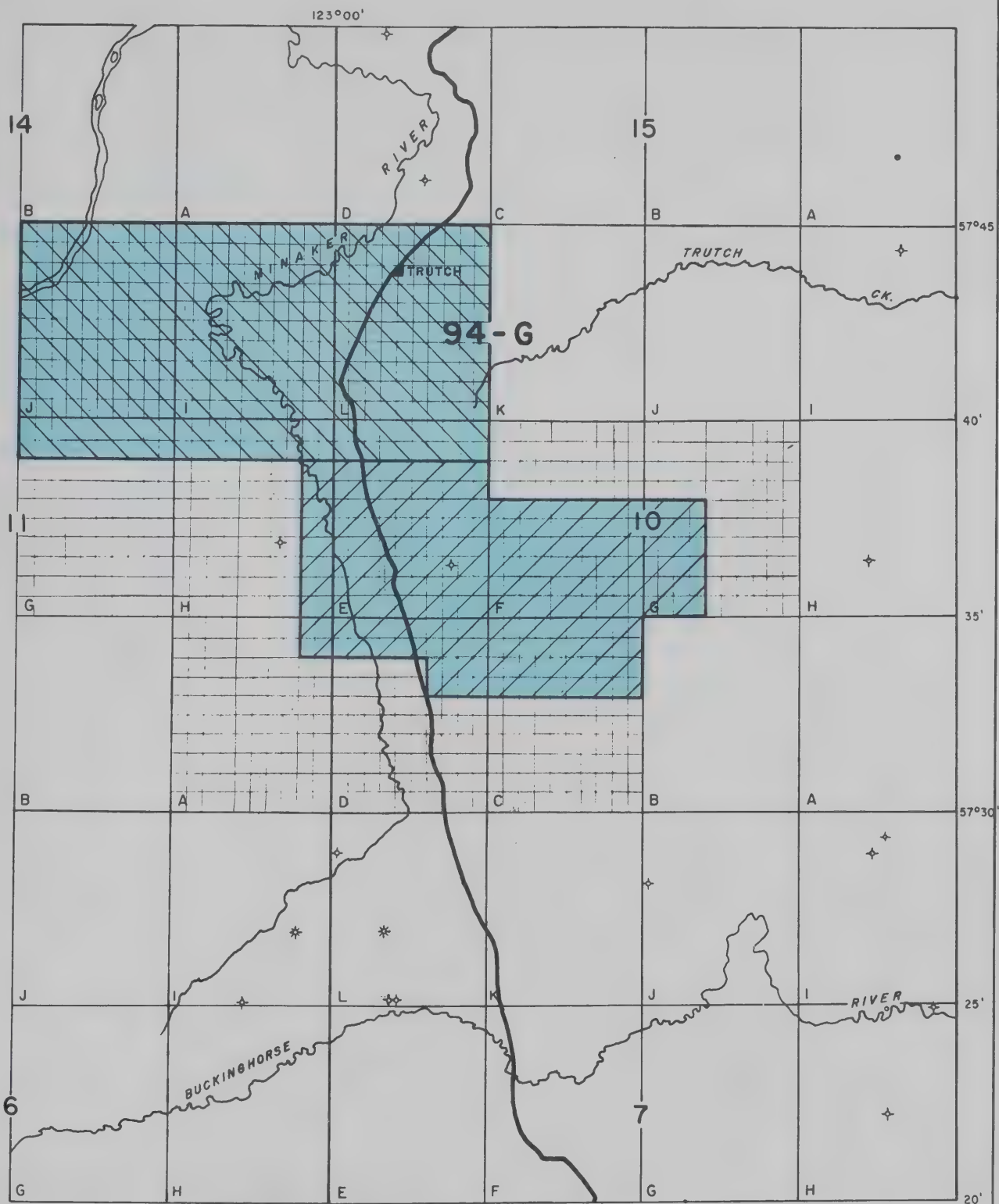


PETITOT RIVER AREA
N. E. BRITISH COLUMBIA





PERMIT No. 2221 SALE NOV. 18/70

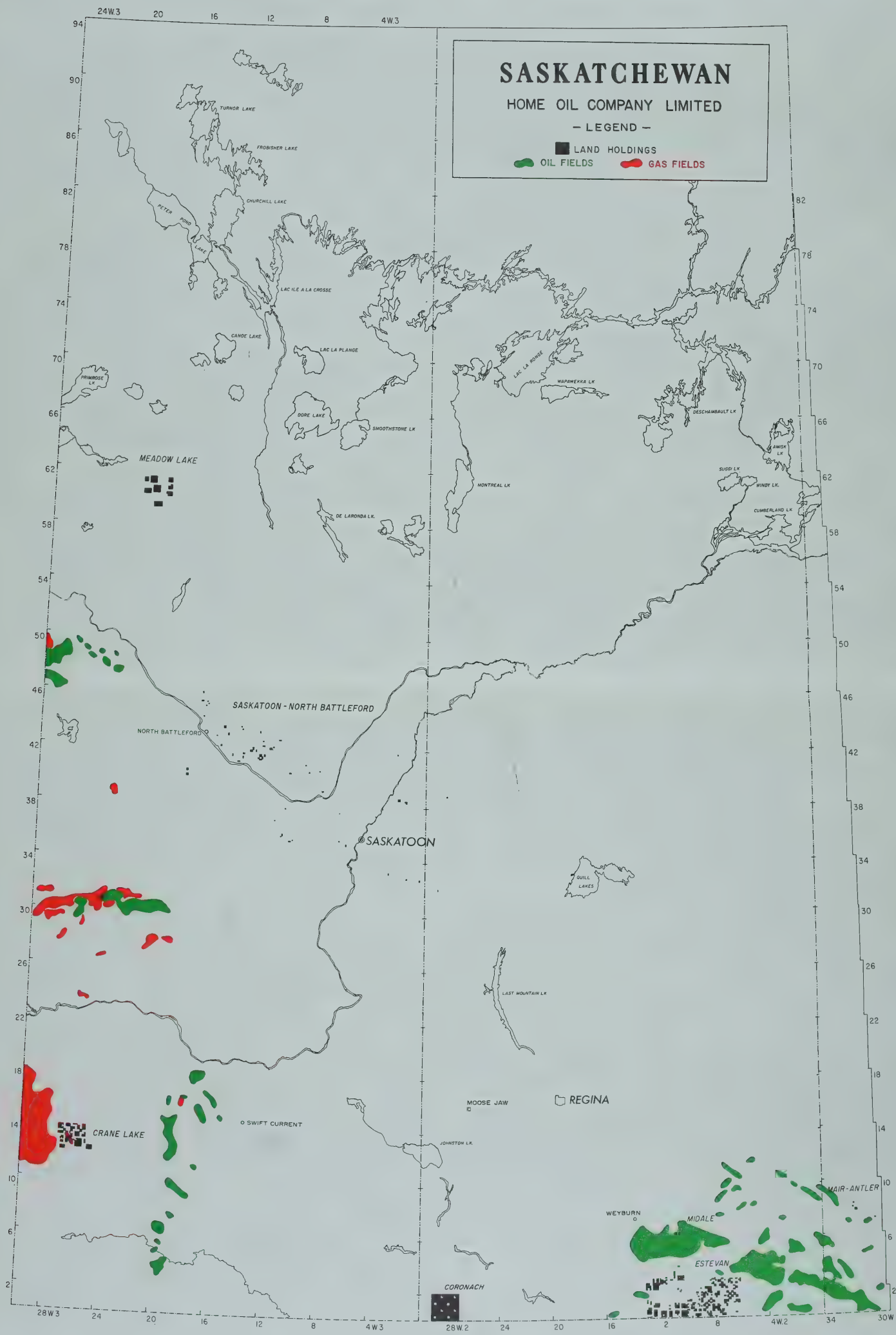
- LOCATIONS or DRILLING ● OIL WELLS
- ⊕ DRY & ABANDONED ★ GAS WELLS



POCKETKNIFE AREA
N.E. BRITISH COLUMBIA

-  PERMIT No. 2191 SALE JAN. 27/70
-  PERMIT No. 2232 SALE NOV. 18/70

-  LOCATIONS or DRILLING
-  DRY & ABANDONED
-  OIL WELLS
-  GAS WELLS



SASKATCHEWAN

HOME OIL COMPANY LIMITED

— LEGEND —

LAND HOLDINGS

OIL FIELDS

GAS FIELDS

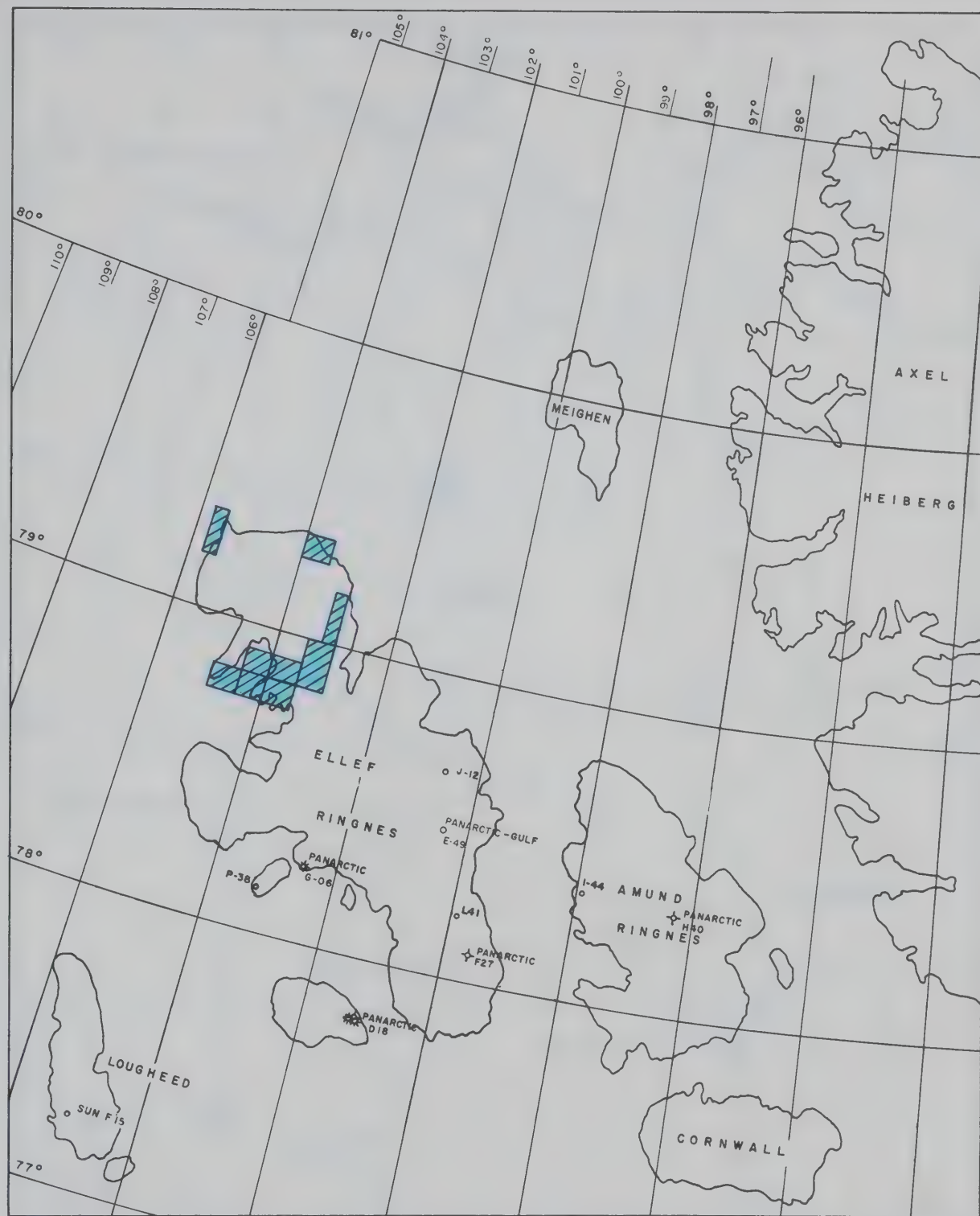


ESTEVAN - BROMHEAD AREA S.E. SASKATCHEWAN

CROWN P & NG LEASES
FREEHOLD LEASES

○ LOCATIONS or DRILLING
● OIL WELLS
⊕ DRY & ABANDONED
⊗ GAS WELLS





ELLEF RINGNES ISLAND

ARCTIC ISLANDS

SCALE 1" = 32 MILES

 HOME INTEREST ACREAGE

-  LOCATIONS or DRILLING
-  OIL WELLS
-  DRY & ABANDONED
-  GAS WELLS

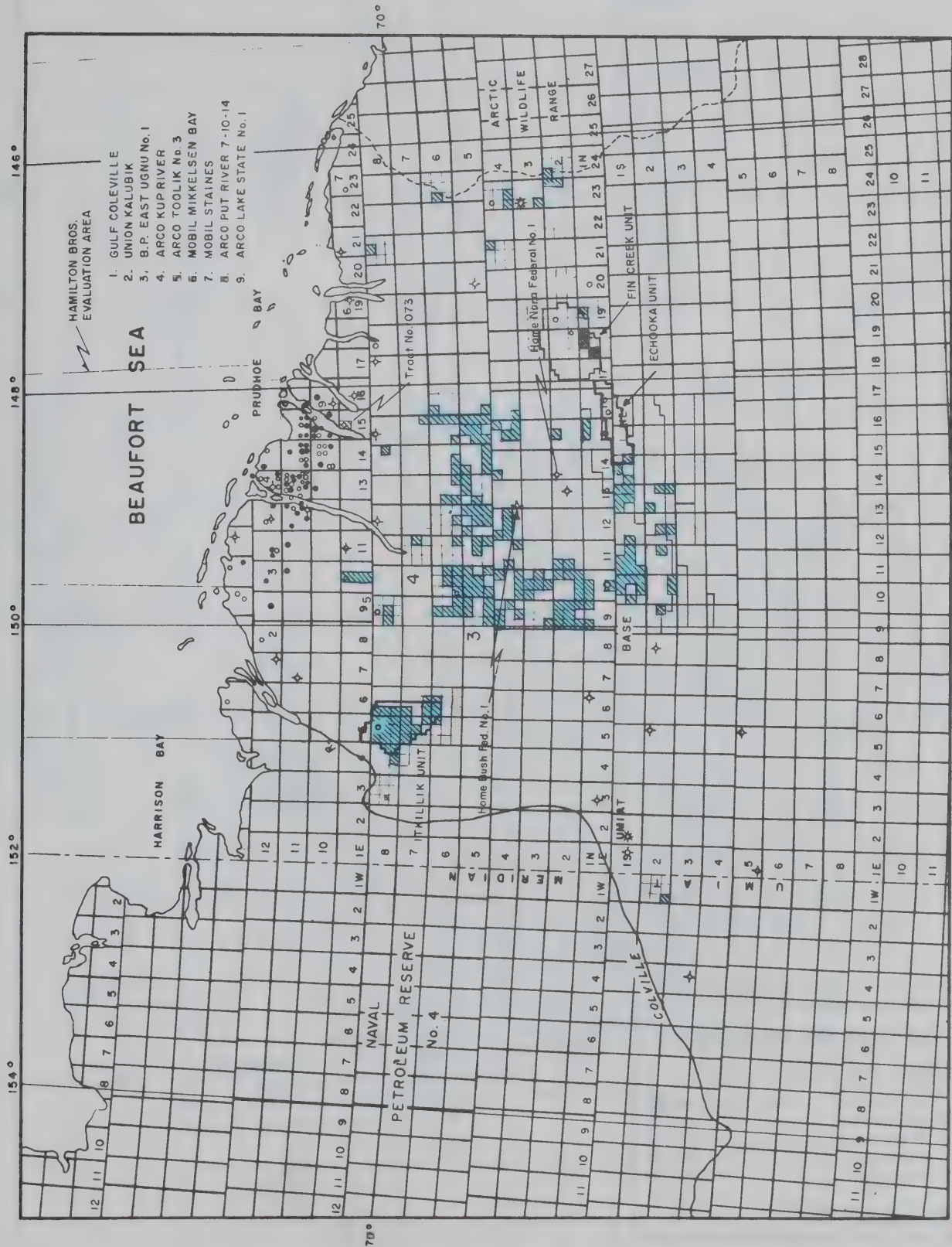


HUDSON BAY AREA

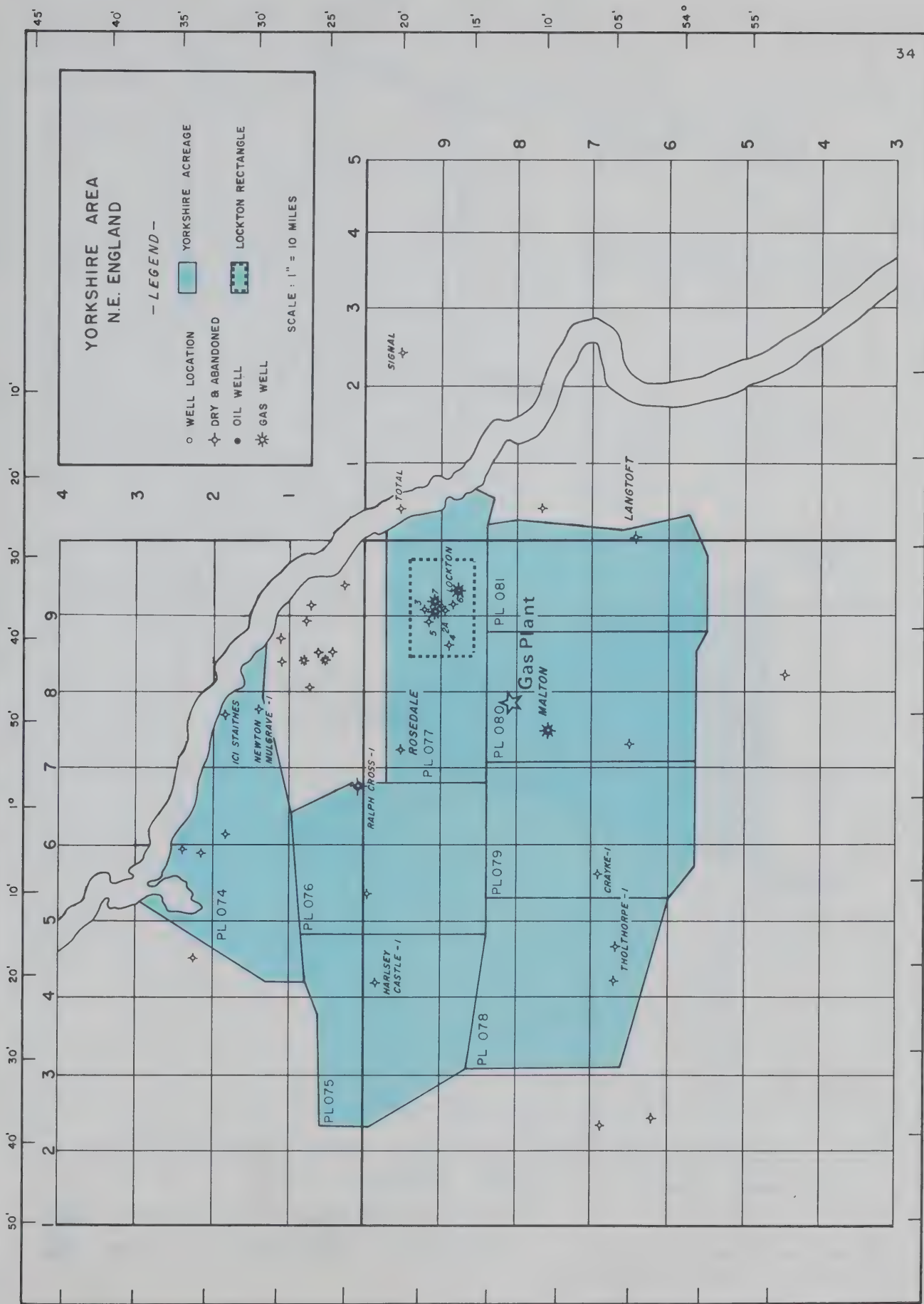


- HOME OIL & BOW VALLEY PERMITS
W3869 to 3882 Inclusive (8 98,431 Ac)

- LOCATIONS of DRILLING
- OIL WELLS
- ⊕ DRY & ABANDONED
- ⊗ GAS WELLS









MALTA AREA

SCALE: 1" = 12 Miles



HOME PRODUCTION LICENCE CONTAINING APPROX. 454,156 acres

HOME EXPLORATION LICENCE CONTAINING APPROX. 9,683 acres

○ LOCATIONS or DRILLING

● OIL WELLS

⊕ DRY & ABANDONED

⊕ GAS WELLS

ITALY

SCALE 1" = 20 MILES

PERMITS GRANTED
TO S.I.R.-PC - &
HOME

ABANDONED WELL



